





**NOTICE:** Return or renew all Library Materials! The *Minimum Fee* for each Lost Book is \$50.00.


The person charging this material is responsible for its return to the library from which it was withdrawn on or before the **Latest Date** stamped below.

Theft, mutilation, and underlining of books are reasons for disciplinary action and may result in dismissal from the University.  
To renew call Telephone Center, 333-8400

UNIVERSITY OF ILLINOIS LIBRARY AT URBANA-CHAMPAIGN

AUG 12 1996

L161—O-1096



Digitized by the Internet Archive  
in 2011 with funding from  
University of Illinois Urbana-Champaign

<http://www.archive.org/details/northfirststreet01univ>



N 811 v.1 c.2

# THE NORTH FIRST STREET REVITALIZATION PROJECT FINAL REPORT

Fall 1993

For:

The City of Champaign and the North First Street Focus Group

By:

The Comprehensive Planning and Preservation Planning Workshops  
Department of Urban and Regional Planning  
University of Illinois at Urbana-Champaign

## Physical Conditions

Todd Hardy  
Michael Leonard  
Victoria McCleary  
Karen Zilly

## Historic Preservation

Scott Alridge  
Audra Burlison  
Rachel Gentry  
Doug Gilbert  
Thomas Meier  
Michael Wisniewski

## Supply Side Market Assessment

John Eason  
Michael Fish  
Kirsten Froehlich  
Sheri Krawczyk  
Jody Rendziak  
Sylvie Temperley

## Demand Side Market Analysis

Robyn Bancroft  
Todd Copeland  
Chris Gathman  
Timothy Golemo  
David Keranen  
Britt Kelly  
Andrew Lynch

## Financial Development Options

Kevin Coleman  
Steven Marciani  
Brian Moser  
Timothy Paul  
Laura Ruhl  
Daniel Williams

Instructors: Leonard F. Heumann, Ph.D.  
Eliza Husband, Ph.D.



307, 34 00977  
IV 811  
1.1  
1.2

## TABLE OF CONTENTS

### NORTH FIRST STREET REVITALIZATION PROJECT

INTRODUCTION AND EXECUTIVE SUMMARIES .....	i
I: PHYSICAL PLANNING .....	1
I.A PHYSICAL PLANNING GOALS AND OBJECTIVES .....	1
I.B PAVEMENT AND SIDEWALK CONDITIONS .....	1
B.1 Streets and Alleys (1); B.2 Curbs and Gutters (2); B.3 Sidewalks (2); B.4 Handicap Accessibility (4); B.5 Weaknesses and Strengths of Pavement and Sidewalk Conditions (4)	
I.C. LANDSCAPING .....	4
C.1 Trees (5); C.2 Grass (5); C.3 Flower Planters (5); C.4 Lighting (6); C.5 Weaknesses and Strengths of Landscaping (6)	
I.D NORTH FIRST STREET SEWER SYSTEM .....	6
D.1 Storm Sewer System (6); D.2 Sanitary Sewer System (9); D.3 Total Sewer Rehabilitation Cost (11); D.4 Weakness and Strengths of the North First Street Sewer System (11)	
I.E NORTH FIRST STREET PARKING .....	12
E.1 Availability and Adequacy of Parking in the North First Street Area (12); E.2 City of Champaign Parking Requirements (14); E.3 Weaknesses and Strengths of Parking in the North First Street Area (14)	
I.F NORTH FIRST STREET TRAFFIC EVALUATION .....	15
F.1 Traffic Survey Objectives (15); F.2 IDOT Traffic Survey Results: 1990 (15); F.3 Physical Planning Team Survey Results: 1993 (15); F.4 Evaluation and Observations (17); F.5 Traffic Accidents (18); F.6 Weaknesses and Strengths of Traffic Conditions on North First Street (19)	
I.G COMPARATIVE ANALYSIS OF COMMERCIAL ZONES .....	19
G.1 Location of North First Street (20); G.2 Condition of North First Street (21); G.3 Aesthetics of North First Street (21); G.4 Traffic on North First Street (21); G.5 Business Volume of North First Street (21); G.6 Historic Quality of North First Street (21); G.7 Access to North First Street (22); G.8 Weaknesses and Strengths of North First Street as a Commercial Zone (22)	
II. HISTORIC BUILDINGS: THEIR SIGNIFICANCE AND POTENTIAL VALUE ....	23
II.A Introduction .....	23
II.B Historical Significance Of The Study Area and Its Surrounding Neighborhood .....	23
B.1 Summary (23); B.2 Note On Methodology (24); B.3 The Railroad and 19th-Century Settlement (24); B.4 African-American Settlement And Entrepreneurship (25); B.5 Most Historically Significant Building: 210 North First Street (26); B.6 Decline of North First Street (26)	
II.C Architectural And Urban Design Significance; Integrity and Condition of Individual Buildings .....	26





C.1 Summary (26); C.2 Note on Methodology (26); C.3 Architectural and Urban Design Significance of the First Street Ensemble (27); C.4 Individual Buildings: Significance and Present Physical Condition (27)	
II.D Threats To Historical and Architectural Significance of North First Street . . .	28
D.1 Summary (28); D.2 Existing Conditions Impairing Significance (29)	
II.E Feasibility of Rehabilitation of the Historical Ensemble . . . . .	29
E.1 Summary (29); E.2 Evaluating Feasibility: Significance Versus Limitations (30)	
II.F Guidelines and Goals for Historic Preservation within an Overall Revitalization Strategy . . . . .	32
F.1 General Guidelines for Future Direction (32); F.2 Specific Suggestions for Facilitating North First Street Historic Preservation and Making It Part of Revitalization (33)	
III: SUPPLY SIDE MARKET ASSESSMENT . . . . .	35
III.A Introduction to Supply-Side Assessment . . . . .	35
III.B Existing Businesses . . . . .	36
B.1 Business Owners Interviewed (36); B.2 Methodology (36); B.3 Financial Viability and Business Potential (41); B.4 Customers who Frequent North First Street (45); B.5 Size of Businesses (45); B.6 Importance of Current Location (45); B.7 Advantages and Disadvantages of North First Street (46); B.8 North First Street as an African-American Commercial District (46); B.9 Problems Experienced in Operating Businesses (47); B.10 Assessment of Demand (48)	
III.C Potential Businesses . . . . .	49
C.1 Business Owners Interviewed (49); C.2 Financial Viability Depends on an Anchor (49); C.3 Redevelopment Scenarios (50); C.4 The Area's Assets - Convenient Parking & High Visibility (50); C.5 The Area's Liabilities - Crime & Aesthetics (51); C.6 North First Street as an African-American Commercial Area (51)	
III.D Other Professionals and Key Informants . . . . .	51
D.1 Introduction (51); D.2 Interviews (52); D.3 Methodology (53); D.4 Positive and Negative Aspects of North First Street (53); D.5 Overall Market Share Is Negligible, but Share of the African-American Market May Be Considerable (53); D.6 Assessment of Demand (54); D.7 The Players And Prime Resources (57); D.8 A Specific Area Focus: Two Options (58); D.9 Final Assessment (59)	
III.E Linking Demand With Supply . . . . .	60
E.1 Supply Size Constraint--Limited to a "Neighborhood Shopping Center" (60); E.2 Demand for Shops from Surrounding Residents -- Currently Being Met (61); E.3 Demand for Shops from Students, Customers of Other Businesses in the Area (63)	
IV. DEMAND SIDE MARKET ANALYSIS . . . . .	64
IV.A Local Resident and Customer Surveys . . . . .	64
A.1 General Purpose (64); A.2 Analysis of FIGURE IV.1,2,3 and 4 (67); A.3 Major Implications (67)	



IV.B	Local Area Business and Service Surveys	68
	B.1 General Purpose (68); B.2 General Characteristics (68); B.3 Potential Demand (69); B.4 Major Implications (69)	
IV.C	University of Illinois Student Survey	70
	C.1 General Purpose (70); C.2 General Characteristics (70); C.3 Service Use (70); C.4 Reasons for Not Using Services (71); C.5 Potential Demand (71); C.6 Disposable Income (71); C.7 Major Implications (71)	
IV.D	1990 Census Analysis of Demand for North First Street	71
	D.1 General Purpose (71) D.2 Analysis of FIGURE IV.6 (72); D.3 Analysis of FIGURES IV.7 AND IV.8 (73); D.4 Analysis of FIGURE IV.9 (75); D.5 Major Implication (75)	
V.	FINANCIAL DEVELOPMENT OPTIONS	76
V.A	TEAM GOALS	76
	A.1 Goal Number One (76); A.2 Goal Number Two (76); A.3 Goal Number Three (76); A.4 Goal Number Four (76); A.5 Goal Number Five (77)	
V.B	EXISTING CONDITIONS	77
	B.1 Strengths (77); B.2 Weaknesses (77); B.3 Opportunities (78); B.4 Constraints (78)	
V.C	GOAL NUMBER ONE: FUNDING SOURCES AVAILABLE	79
	C.1 Background (79); C.2 Description of Programs Available (79); C.3 Type One: Highest Potential Funding Sources (80); C.4 Type Two: Second Tier Funding Sources (80); C.5 Type Three: Lowest Potential Funding Sources (Grants) (80)	
V.D	GOAL NUMBER TWO - PART ONE: OWNERSHIP PATTERNS	80
	D.1 Current Ownership Patterns (80); D.2 Current Owners as Developers (80); D.3 New Private Ownership and Redevelopment (81); D.4 Community Development Corporation Ownership (81); D.5 Bank Community Development Corporation's (81); D.6 City Ownership and Development Alternative (81)	
V.E	GOAL NUMBER TWO - PART TWO: LONG TERM IMPLEMENTATION AND MANAGEMENT	82
	E.1 Implementation Committee (82)	
V.F	GOAL NUMBER THREE: DIRECT CITY ROLE IN REDEVELOPMENT	82
	F.1 Level 1: Most Immediate and Necessary (82); F.2 Level 2: Highly Probable City Involvement (83)	
V.G	GOAL NUMBER FOUR: PRIVATE OWNERS' ROLE	84
	G.1 Commitment to Redevelopment (84); G.2 Code Compliance (84); G.3 Shared Redevelopment Risk (Public/Private) (84); G.4 Coordinated Redevelopment (84)	
V.H	GOAL NUMBER FIVE: FUNDING SCENARIO	85
	H.1 Public/Private Partnership (85); H.2 Public Investment (85); H.3 Private Investment (86); H.4 Small Business Training and Loans (86)	





## **TABLE OF APPENDICES**

### **APPENDIX I: Physical Conditions**

### **APPENDIX II: Historic Preservation**

- II.A Explanation of Building Ratings
- II.B Actual Building Ratings
- II.C Suggested Design Guidelines For Infill Buildings to Harmonize With Historic Structures

### **APPENDIX III: Supply Side Market Assessments**

- III.A Economic Development Key Informant Questionnaires
- III.B Key Informant Questionnaire (modified)
- III.C Questions For Potential Businesses

### **APPENDIX IV: Demand Side Market Analysis**

- IV.A Block Group and Extended Block Group Survey
- IV.B Customer Survey
- IV.C University Avenue Business Survey
- IV.D City of Champaign Police Department Survey
- IV.E University of Illinois Student Survey
- IV.F 1990 Census Data Charts & Figures
- IV.G Parcel by Parcel Land Use Inventory

### **APPENDIX V: Financial Development Options**

- V.A Funding Sources: Detailed Evaluations



## TABLE OF FIGURES

FIGURE I.1	SIDEWALKS FROM 110 N. FIRST STREET TO PARK AVENUE
FIGURE I.2	SIDEWALKS FROM PARK/FIRST STREET TO 204 N. FIRST STREET
FIGURE I.3	SIDEWALKS FROM 204.5 N. FIRST TO HILL STREET
FIGURE I.4	MAP OF THE STORM SEWER LINES IN THE N. FIRST STREET AREA (Source: City of Champaign, Engineering Department)
FIGURE I.5	MAP OF THE SANITARY SEWER LINES IN THE N. FIRST STREET AREA (Source: City of Champaign, Engineering Department)
FIGURE I.6	MAP OF AVAILABLE PARKING IN THE N. FIRST STREET AREA
FIGURE I.7	MAP OF THE DAILY TRAFFIC FLOW IN THE NORTH FIRST STREET AREA (Source: City of Champaign, IDOT)
FIGURE I.8	RESULTS OF INDEPENDENT SURVEY
FIGURE I.9	TRAFFIC ACCIDENTS ON NORTH FIRST STREET IN 1992 (Source: Champaign Urbana Urbanized Area Traffic Study, CUUATS, 1992)
FIGURE I.10	RESULTS OF COMMERCIAL ZONE COMPARATIVE SURVEY
FIGURE II.1	SUMMARY TABLE OF BUILDING RATINGS
FIGURE III.1	RESULTS OF SURVEY FROM NORTH FIRST STREET BUSINESS OWNERS
FIGURE III.2	TRADE AREAS FOR DEMANDED BUSINESSES
FIGURE IV.1	DEMOGRAPHICS OF RESPONDENTS (Source: Block Group, Extended Block Group and Customer Surveys)
FIGURE IV.2	DEMOGRAPHICS OF CURRENT USERS (Source: Block Group, Extended Block Group and Customer Surveys)





- FIGURE IV.3      CURRENT DEMAND AND DESIRED BUSINESSES  
(Source: Block Group, Extended Block Group and Customer Surveys)
- FIGURE IV.4      PERCEPTIONS AND OPINIONS OF RESPONDENTS  
(Source: Block Group, Extended Block Group and Customer Surveys)
- FIGURE IV.5      PERCENTAGE OF RESPONDING USERS  
(Source: University Avenue Business and Police Department Surveys)
- FIGURE IV.6      HOUSEHOLD PROFILES  
(Source: 1990 Census)
- FIGURE IV.7      INCOME, EMPLOYMENT AND SPENDING POWER  
(Source: 1990 Census)
- FIGURE IV.8      PERCENT BELOW POVERTY  
(Source: 1990 Census)
- FIGURE IV.9      HOUSING VALUES AND HOUSING NEEDS  
(Source: 1990 Census)



# **NORTH FIRST STREET REVITALIZATION PROJECT**

## **INTRODUCTION AND EXECUTIVE SUMMARIES**

The City of Champaign asked The Department of Urban and Regional Planning at the University of Illinois to develop a workshop course wherein students could assist City staff and a "focus group" made up of citizens interested in the revitalization of the North First Street commercial district in undertaking the formulation of a redevelopment plan of the area. The workshop was developed and completed data collection and analysis of North First Street during the three and a half month period from September through mid-December, 1993. This report presents the findings of the student research.

### **THE PROJECT SITE**

The project site is defined as the triangular area bounded by the Illinois Central Railroad line on the west, University Avenue on the south, the eastern boundary of the property fronting North First Street, and Washington Street on the north. For research purposes, the physical impact of any revitalization of North First Street was assumed to occur between First and Second streets between University and Washington, the residential neighborhood impact area was defined as the Census Block Group 4 of Tract 1 (First to Fourth Streets between University and Washington). In addition, a large number of other contiguous areas and development projects in progress or being considered were analyzed for their impact on the revitalization of North First Street. These include the various new developments, planning districts and business organizations along East University Avenue, the improvements to the Boneyard Creek and its Flood plane which impact on the northern half of the study area, and the various efforts to revitalize downtown Champaign to the west of the project site. The evolution of First Street as a north-south traffic artery in the city, the proximity of the rest of the predominantly African American residential area to the northeast, and the proximity of the University of Illinois student residential area just south of the study area were all considered as influencing revitalization of North First Street.

### **THE TIMING AND GOALS OF THIS STUDY**

This study stems from a Champaign Council directive to City Staff on the need for a comprehensive revitalization plan for North First Street made on June 22, 1993. During that Council meeting, major issues of concern were expressed, an initial development process was devised, and Council goals and objectives were formulated based on the information available at that time. Those goals became the starting point for City staff negotiations with the Department of Urban and Regional Planning and the workshop course conducted in the Fall of 1993.





Among the goals Council stipulated were the development of a revitalization strategy which provides for public infrastructure improvements to support and encourage private investment, encouragement of business start-up and or expansion opportunities (especially for minority entrepreneurs and existing businesses), and provision of a complementary level of financial and technical assistance to new and existing business operators to encourage private investment and successful businesses.

## **CITY AND COMMUNITY LIAISONS WITH THE RESEARCH TEAM**

City staff assigned to this project included Fred Enderle from the City Manager's Office, and Ivy Lewis from the City Planning Office. City staff notified people with potential interests in the North First Street Study and asked Joseph Lee, a Ph.D. student in the Department of Urban and Regional Planning to serve as moderator for the meetings of the Focus Group. The people asked to join the Focus Group included property owners and businesses on North First Street, along with church leaders, minority advocates, and officials from local lending institutions. The purpose of the Focus Group was to provide information and act as advisors on community concerns.

## **ORGANIZATION OF THE REPORT AND THE RESEARCH EFFORT**

Students were assigned to teams and given tasks ranging from data collection to establishing goals and objectives in five areas of research and analysis. Each team dealt with a specific element of the planning process. The five teams and the members of each team are listed on the cover page of the report. Team members used personal interviews, field observation, drop-off and mailed-out surveys, archival research of city and historic records, Focus Group meetings, and the 1990 U.S. Census to assemble the necessary data for this report. In addition to this report two videos have been produced on the history of North First Street and the planning process to date.

In addition to the background information presented here, this introductory section includes a discussion of the limits of this report and where we feel it fits in the on-going revitalization process. The final section of the introduction present an executive summary of the findings from this study. It is anticipated that many readers will be given just this Introduction/Executive Summary, and can ask to see the more extensive full report, technical appendices and five "sketch" design solutions for the revitalization of North First Street which are bound as three separate documents along with the two videos. All elements of the report, be it the executive summary, the chapters in the main body of the report or the appendices, are organized by the planning elements addressed by the five research teams. Throughout the reporting they appear in the following order: Physical Conditions, Historic Preservation, Supply Side Market Analysis, Demand Side Market Analysis, and Financial Development Options.



## INTENDED USE AND LIMITATIONS OF THIS STUDY

### o Data Limitations

The five planning elements presented in this report represent the areas the instructors of the class and the City staff determined the students were capable of undertaking. The City hired separate consultants, Architectural Spectrum and Frauehoffer and Associates Engineers, to conduct structural assessments of the buildings on North First Street. The consultants' report was completed during the study period and was available to the students who studied and incorporated the results into this report. However, the consultants' report is not part of this study.

Very little was done with recommending land use changes for the project area. This needs to be part of the final revitalization plan for the area.

Sewer conditions and the costs of upgrading the sewers are estimates based on existing city records which are clearly incomplete and outdated. These can only be seen as preliminary findings assembled from existing city data.

Finally, most of the analysis used to produce the existing and potential market supply and demand for the project area, as well as the analysis of financing options, relied heavily on the result of face-to-face surveys with business owners, market experts, bankers and the like. There are real questions that must be raised about how skillful the students were as interviewers and how seriously they were taken by those being interviewed. The instructors could only help the students design their questions, their list of interviewees and ways to record and report their findings. If the students failed to establish a professional air of trust and competence they may not have compiled as complete a picture of the area's problems or potentials.

### o No Single "Redevelopment Plan" is Presented

An initial goal set by the City staff, was for the workshop to conclude with a single "redevelopment plan" for North First Street. This has not been done for two basic reasons. First, after identifying the amount of base data necessary, the time involved to assemble that data, and the impact area that could affect or be affected by a redevelopment plan, it became clear that the students could not learn how to assemble and analyze all the data and create and defend a single plan of action. They were hard pressed to define the data needed, invent the means to assemble it, and present it in a useable form in the three and one half months available. Second, a single plan would have been presumptive on our part. North First Street has been neglected by planners for decades. The problems that have evolved from this neglect will require the commitment of a great many public and private resources in order to up-grade the infrastructure, buildings and business investment in this area. The data assembled in this study now needs to be digested by the City staff, the Focus Group and the each individual business and property owner in the project area. They need to determine





what they want to do, and what they can afford to do. For student planners in training to make such a determination is totally inappropriate.

In addition to the data collection and analysis presented in this report, "sketch designs" were created by five newly formed teams of students in the final week of the academic semester. While these "sketch plans" do represent starting points for revitalization planning for North First Street, the exercise was done more as a learning experience for the students than as serious recommendations to the City or project residents. These five "sketch plans" are bound separately. They each contain interesting ideas and funding schemes, but they are presented only as ideas which the City, Focus Group and other parties may find helpful when they develop the actual redevelopment plan for North First Street.

o Lack of a Joint Planning Effort With the Focus Group

The Focus Group was only formulated at the very outset of the three and one half month study period. The Group was assembled once just prior to the beginning of the academic semester (before the students arrived), and twice during the study period--once to hear and react to the type of data collection and analysis to be undertaken, and once to hear a summary of the findings. At the last meeting, there was hope that the Focus Group would be able to digest the findings and set more detailed revitalization objectives. This was not possible because only one or two of the members of the Focus Group present were conversant enough with the findings and planning process to advance to this more detailed stage.

One reason the Focus Group members were unprepared to take this vital step and provide this critical input to the planning process is that they have not yet coalesced as a planning body. They do not "own" the problem, nor are they committed to the role the city would like to see them play. Because they have no formal role they may feel simply as an add-on for appearances sake to give "grass-roots" legitimacy to the ultimate plan. Many of the people invited to join the Focus Group never showed up. The most consistent attendance has been from owners of businesses and property on North First Street, and they seem to find it very difficult to develop common interests in the revitalization of North First Street.

Without a well organized and active Focus Group made up of people with long standing social and cultural interests in the businesses on North First Street, the students were left to research many more development options than the community might desire or need in the North First Street location. The planning task has clearly been more difficult and time consuming as a result.

It is our hope that this report will be carefully studied and can serve as a means for an active and effective Focus Group to form and begin to advise the City's planning and economic development staff. For the best possible revitalization plan, the Focus Group must become empowered and allowed to work as a knowledgeable partner with the City staff in advising the Council on what solution to formulate, adopt and implement on North First Street.



## THE EXECUTIVE SUMMARIES

### SUMMARY OF PHYSICAL CONDITIONS

- o The overall aesthetic appearance of North First Street is negative due to a physical deterioration and neglect of the structures and their surroundings.
- o There is a negative perception of the area that is in part the result of the visual appearance neighborhood residents and the larger community are greeted with when they pass North First Street.
- o Streets and Sidewalks. Sidewalks along the east side of North First Street are not uniform and severely cracked in the most traveled areas in the 100 and 200 blocks. Compared to the newly replaced walks in front of the Cattle Bank and the Police Station, the sidewalks look neglected and in disrepair, and lacking handicap accessibility in places. The curbs and gutters are not uniform in style and vary in height from 1 inch to 10 inches. Alleys are in poor condition. Most are unpaved, and paved alleys require maintenance and repaving.
- o Landscaping. The parkways on the east side of the street are inconsistent and of different materials. Trees on the east side of the street are unevenly spaced, wild, unpruned, and blocking some of the building facades. There is consistent weed overgrowth along the sidewalks and parkways and in vacant lots. All this neglect of landscaping stands out in sharp contrast to the work done at the two ends of the street by the Police Station and Cattle Bank at the south end and by the Park District at Washington Street.
- o Storm Sewer System. The current storm sewer system does not adequately service the businesses on North First Street between University Avenue and Park Avenue. Estimates based on sketchy data indicate \$22,000.00 in improvements are necessary. Actual costs when the city opens up and inspects the system could run higher.
- o Sanitary Sewer System. The outdated sanitary sewer system does not adequately service the current uses within the North First Street impact area. Once again, estimated costs are based on incomplete and outdated maps, but are calculated at \$147,000.00 at this time.
- o Parking. Current businesses do not supply adequate parking as required by the zoning ordinance. However, sufficient public parking currently exists on the west side of First Street in a municipal lot. If there is to be a future expansion of commercial space by adding buildings on the west side of First Street, then additional parking would have to be supplied, probably below Church street on the west side of First in the Boneyard flood plane which shouldn't contain buildings.
- o Traffic. First street, as it links with Market Street, has become a north-south collector street in Champaign. Over 8,000 cars and trucks pass along North First Street daily, and the street is adequately designed to handle the flow and there are relatively few accidents



for the volume of traffic. However, North First street businesses do not attract any of this high volume of traffic. The street mainly serves as a North-South thoroughfare. University Avenue has more than three times the volume of traffic found on First Street, and the First and University crossing is a very busy one. This combined volume of traffic bodes well for businesses that can take advantage and attract travelers along these streets to stop. While vehicular signage is adequate to handle the traffic, the signage that would identify the area and businesses is non-existent. Starting at the north end of First Street at the Washington Street underpass, there is a tendency for flooding during heavy rains, making the area impassible to vehicles and pedestrians. Hopefully this will be repaired as part of the Boneyard Creek flood plain repairs scheduled over the next 10-20 years.

- o Commercial Zoning. North First Street is a remnant of an old downtown that first formed east of the Illinois Central tracks. Part of the street is zoned residential and part mixed use. The physical character of the commercial zone on North First Street is now unique when compared with other commercial zones within the city. It no longer fits any of the commercial images of strip commercial streets with no upper-story residents, nor the various size malls. Nevertheless, the location remains a good one for a commercial district.
- o Overall Physical Weakness and Strengths as a Commercial Zone. Most of the buildings are in serious need of structural rehabilitation and an aesthetic face lift. The combination of vacant lots, infrastructure neglect and disrepair, building dilapidation and the lack of a link between the east and west sides of the street result in a very dreary appearance and a monumental weakness of the area. The location is good, and history of the area is rich, First Street is highly traveled, but a major financial investment is necessary to turn the physical quality of the area around so that it can attract and accommodate more commercial business.

## HISTORIC PRESERVATION SUMMARY

- o Uniqueness of the Study Area. A number of the business-related buildings within the 100 and 200 blocks of North First Street are uniquely significant as the only cluster of African-American-owned businesses that Champaign has had at any time.
- o Threat to Historic Buildings. The short-range physical survival of North First Street's historical business buildings is their greatest threat because of existing breaches in individual building envelopes. Survival depends upon achieving and maintaining stabilization while historically sensitive planning measures (at present nonexistent) are given time to be developed and put in place.
- o General Historical Significance. Remaining business buildings, together with churches and residences in the nearby area, create a complete historic neighborhood. Extant buildings uniquely represent the African-American presence in Champaign as well as reflecting Champaign's railroad history. The business buildings reached their greatest historical significance during the 1920s through 1950s.





- o Architecture and Urban Design Significance. The business-related buildings along the 100-200 blocks of North First Street provide needed visual-historical continuity between two larger adjacent historical areas: 1) the original business block of Main Street west of the railroad tracks and 2) the business and warehouse district extending south and east from University Avenue.
- o Architectural Integrity and Condition of Buildings. The "sense of time and place," visual continuity, and architectural integrity, as well as physical condition, of all historical buildings within the intensive-study area are already impaired. Elements contributing to impairment include previous remodeling and demolition of individual buildings; demolition of all historic buildings between the railroad tracks and North First Street north of University Avenue; and their replacement by a visually unrelated and out-of-scale police compound with extensive, barren open spaces.
- o Economic Obstacles to Rehabilitation. Economic obstacles include, first, property owners' apparent lack of interest in and ability to pay for historically sensitive maintenance and rehabilitation and, second, marginal viability of some present building uses.
- o Need for Preservation Planning Measures Applicable to the Study Area. No preservation planning has been done except for a National Register survey-nomination initiative under way for the main city center only. Champaign is not included in a city- or county-wide inventory of historic structures, to National Register standards, that would facilitate 1) evaluation of significance of the buildings individually and as a potential national or local district and 2) funding of preservation planning. Champaign also lacks municipal historic-preservation planning measures that could guide historically sensitive development in the area; examples of such measures are a local-district ordinance or an overlay to the Champaign comprehensive plan.
- o Need for Administrative and Political Support. The area has not been publicized as significant in any way, a fundamental step to gaining public support. No government-based administrative entity exists whose mission is specifically to North First Street's general interests, much less to the area's historical and architectural implications. The governmental vacuum is matched by a lack of owner and/or community based organizations with unity of goals, administrative capacity, or inclusion of historic-preservation interests. Thus historically sensitive development lacks administrative support, design guidelines, potential enforcement oversight, and an agency dedicated to pursuing historic-preservation funding.
- o Feasible Preservation Goals. Should physical stabilization be achieved and planning initiated, feasible goals for the area include 1) reemergence of a historical "sense of time and place," which can be restored to a degree using relatively simple cosmetic methods and 2) visual continuity, which can be enhanced through compatible in-fill. Given the cost structure of the area and current lack of political support from either local government or owners/community, the retrieval of architectural integrity is not a feasible goal.



- o Recommended Strategy. Politically and economically, historic preservation on North First Street is likely to be based on its historical significance to the African-American community and/or its inclusion in preservation measures applied to the larger historic business area extending to the south and east. Initiatives on these two bases are most likely to attract the preservation-related sources of funding that are currently available and to generate public/political support. Such initiatives do not depend on North First Street's being continued in commercial use if mixed office-residential or commercial-residential is preferable for any reason.

## SUPPLY SIDE MARKET ANALYSIS SUMMARY

- o The goal of this planning element was to determine the existing supply of businesses on North First Street and the potential supply that could function in the area. This section summarizes findings from three sets of surveys: existing business, potential businesses, and economic development experts.
- o The Existing Supply. The Police Station and Housing Authority (Cattle Bank building) front on both First Street and University Avenue. These are a-typical of the 10 smaller businesses on the East side of North First. There are also 14 separate parcels of land in just the first two block leaving three vacant lots and one vacant building. The 10 businesses supply the following services: Three hair care services, one women's retail clothing and accessory shop, one fraternal lodge, one janitorial service, and three food/ entertainment establishments all with liquor licenses (a lounge with live music, a restaurant, and a pool hall). The tenth business is made up of one business that was going out and one coming in during the study period. It will be a recording studio.
- o Three of the 10 businesses refused or were never available to speak with enumerators over the two months that surveys were being administered.
- o Four of the businesses surveyed were determined to be profitable and thrive in the low-cost environment available on North First. Three of the four are hair care services catering to special needs of the African American Community.
- o Three of the businesses surveyed were determined to be marginal or struggling financially despite the low-cost overhead environment.
- o City is Seen as Neglectful and Untrustworthy. The biggest complaints from the current businesses is the neglect of city maintained infrastructure and police support to the area. There is clear mistrust of the city by most of these businesses and property owners.
- o An African American Commercial District Is Not Highly Desired. About 90% of the clients to all 7 businesses surveyed are African American as are all the business owners. There are strongly mixed feeling about whether the area should be redeveloped with an identity as an African American commercial district. While there are recognized unmet



service needs of the African American community, and opportunities to fill this niche, it can also be stigmatizing and limit growth potential. Half the current owners oppose this concept, none of the potential businesses would want such a recognition, and the development experts feel such a district is a good idea but not in this location. The existing "catchment area" of a 1/2 mile radius, and the through traffic it enjoys, gives North First Street a much wider potential audience.

- o Specialty Shops are Seen as the Most Likely to Succeed in the Area. Demand for services in the area focused on the most obvious of commercial businesses from grocery to convenience stores, drug stores to restaurants. All of these "generic" commercial establishments already exist in ample supply within a reasonable service distance of North First Street, making it very unlikely that any investor would be forthcoming for these services in this location. However, all of the business people and development experts evaluate North First as an attractive location for specialty shops in dining, clothing, entertainment and other areas, that can start with small inventories and grow as the commercial area grows and improves.
- o Investors and Development Experts See a Very Negative Image. Despite the potential of the location, everyone agrees the area suffers from a very negative image whether real or falsely perceived. This image must be turned around before private investors will invest without deep subsidy or risk reduction. Included in this negative image are: a high crime rate, years of neglect, a run down look, and structural safety problems.
- o What It Will Take to Revitalize the Area. Everyone looking at the current conditions on North First Street agrees that there will be few new investors and little potential for growth without the following: 1. a clear plan of action agreed upon by all parties, the city, existing business, banks and other investors; 2. The city and the banks need to share the lead and the major redevelopment risks; 3. The existing businesses organized with a unified commitment to the redevelopment plan, and linked up with the larger East University Avenue business redevelopment for purposes of political negotiations.
- o What It Will Take to Retain the Current Business. Without financial and business training assistance, none of the current business are likely to survive rapidly increasing costs associated with redevelopment of the area.

#### Demand Side Market Analysis Summary

- o The goal of the Demand Team is to determine both the current and potential demand for the services on North First Street.
- o Methods Used. Four types of analyses were conducted: 1) local residential and customer survey, 2) local area business and service survey, 3) University of Illinois African American students survey, and 4) U.S. Census data profile of impact area residents. The first three analyses used survey research techniques collecting data door-to-door from residents within





a four block area of North First Street, door-to-door from residents north and east of the immediate four block area, a drop-off-mail-back survey left with North First Street businesses for their customers, and a face-to-face survey of business owners and employees on University Avenue between the Illinois Central Railroad viaduct and Second Street and of African-American students at the University of Illinois. There were a total of 247 survey responses: 36 of 115 households in the 4 block area east of the study area (randomly selected and representing 31% of the population), 28 households from the larger African American community living north of University Avenue, 41 customers of shops on North First Street, all 13 business and 31 employees along University Avenue, and 98 African American students at the University of Illinois.

- o Viable Businesses. From the survey data, the two current businesses most frequently used are Rose and Taylor's Beauty Salon and Jackson's Restaurant. Bank's Barber Shop and Tweet's Fashion Shop also seem to maintain a viable business. The other businesses located on North First Street do not seem to have a large clientele based on the surveys. The day time business were easier to evaluate and have a different clientele than the night time businesses. This survey may have underestimated the night time businesses.
- o Demand from Nearby Residents and Employees. Most of the nearby residents go outside of the local neighborhood to do their shopping. Only 52% of the residents of the immediate four residential blocks frequent any of the North First Street businesses. This drops to 48% of the larger African American community living north of University Avenue. A negligible number of the employees at the nearby Police Station, Housing Authority, and businesses along University Avenue frequent businesses on North First Street.
- o Perception of North First Street. Most people feel that the area is unattractive and uninviting. Many people state that the corridor does not offer the goods and services which they demand. The crime factor, be it real or perceived, in the area also seems to have a negative impact upon the area. Hours of operation did seem to be a factor that residents found appealing about the area.
- o Services the Residents Would Like to See on North First Street. It was only possible to ask local residents and customers of the current businesses to give us a "wish list" of stores they would like to see in the area. As a result, some of the more popular stores include grocery stores and drug stores that typically would only go in a more regional shopping mall or directly on a major street. It is questionable if there is even room for stores requiring such large square footage for sales, storage and parking. Of the services that fit with the size and location of North First Street are soul food and other seated restaurants, a small-scale grocery store, and a convenience store.
- o The Adjacent Residential Area to North First is Economically Depressed. An analysis of 1990 census data comparing the immediate residential neighborhood and the larger community was undertaken for two reasons: 1) to further determine what the residents can afford in a neighborhood shopping strip, and 2) to show those planning for North First





Street what a developer sees when taking the risk of investing on North First Street compared to other locations in the city. What it shows is a very economically depressed population. When comparing the area to Champaign County, it has 55% higher unemployment, 4 times more families living below the poverty threshold, 3 times more single female headed households, 4 times more persons with less than a high school education, twice the percent of vacant houses, twice the number of people paying too much for rent (and this despite the fact that rents are low in this area), more than 3 times the overcrowded housing, and almost three times the amount of houses valued under \$50,000.

The Census Tract that includes North First Street showed an unemployment rate of 20.3% in 1990 and a median income of \$10,346.00, well below the poverty threshold for a family of two or more persons.

- o Almost No University Student Demand for North First Street Business. Because most of the current clientele on North First Street is African American, and because the University is so close by (especially student housing), it was predicted that African American students would be a viable market for North First Street business. However, 61% were not even aware that North First Street exists, even though 77% said they would like to see a viable African American commercial area they could frequent.

To determine if students in general, black or white, shop in the general vicinity of North First Street the University Avenue businesses between First and Second streets were asked how much of their business is University student based. The results show that 1/3 or more is University students. Yet there is little of no indication that they turn the corner and frequent shops on North first.

- o There is High Access to North First Street but Very Low Visibility. The transportation mode around Champaign-Urbana used most by students is the Mass Transit District bus lines. When they come and go from town or go out to Market Place Mall, most students travel via First Street north. The mode of transportation used most by residents of the area is automobile. Employees and business owners in the entire area, both on First and University, feel that easier access parking and free parking would be a big attraction for the area. Many respondents state that they are not aware of the businesses located on North First street. Improved signage and aesthetics could also greatly help the area draw a larger customer base.
- o Overall findings by the Demand Team. The findings of the Demand Team point to the fact that the businesses located on North First Street not only are not reaching their full potential market, but the area is not seen as very attractive or safe, and it is not seen as offering many of the goods and services which are in demand. Clearly, many steps must be implemented if the North First Street businesses area is to become a successful commercial district.



## SUMMARY OF FINANCIAL DEVELOPMENT OPTIONS

- o This team was responsible for researching available funding sources, describing each source, and determining the applicability of each program to North First Street property owners and tenants. Once all available funding sources were researched, the team was responsible for formulating a financial strategy for the use of various funding sources.
- o Methodology. A four part plan was created for finding funding sources and development strategies, and placing both in a priority order. First, local bankers, developers and government officials were interviewed to determine what types of funding are locally available, what types of funding strategies local officials have experience with and are comfortable using, and what types of development options are politically realistic in this community. Second, existing models were sought of small, minority business, redevelopment projects as much like North First Street as possible. Third, computer directories were searched looking for grant and loan eligibility that matched the small scale minority commercial redevelopment of North First Street. Finally, based on all this knowledge, criteria were developed to cluster and rank these funding sources by the closest fit and funding potential to the project area.
- o Defining the Characteristics of North First Street. Comprehensive lists of all the strengths, weakness, opportunities and constraints that exist for the North First Street environs was developed with the help of all five teams. These are too long to be duplicated here and can be found in the body of Chapter V. These were used to develop an interview schedule so that the project site could be intelligently discussed with bankers, developers and government officials.
- o Available Funding Sources. A large list of funding sources are presented in Appendix V.1. The list is grouped into three levels of priority: Type One--Highest Priority Funding Sources (existing in Champaign or for which the city is eligible and directly applicable to needs on North First Street), Type Two--Second Tier Funding Sources (that have more specialized eligibility criteria and numerous development and planning conditions), Type Three--Lowest Potential Funding Sources (grants available only through national competitive application). Each funding source is described by type, origins, constraints, criteria for application, and how it can be applied on North First Street.
- o Ownership Patterns. Based on the research into funding small commercial redevelopment projects, five owner/developer patterns were identified that could be used in the redevelopment of North First Street. Each is then discussed. The forms of owner/developer are: 1) the current business, 2) new private owner(s), 3) a Community Development Corporation, 4) A Bank Community Development Corporation, 5) city ownership.



- o Implementation and Management. One model for developing long term management of a redeveloped project is discussed. No matter who is the physical manager, the city and private owners of the businesses will have to form a long term partnership to implement a management scheme.
- o Direct City Role in Redevelopment. No matter what form of redevelopment occurs, the city will have to serve as an initial catalyst. Nine city initiatives grouped into two levels, with all nine in priority order were identified. Level 1--immediate and mandatory: 1. code enforcement, 2. zoning variances or changes, 3. infrastructure repair, 4. provision of services, and 5. redevelopment planning and coordination. Level 2--probable activities with possible long term commitments: 6. rehabilitation grants, 7. high risk loan pool, 8. commercial incubator, 9. public parking realignment and expansion.
- o Private Owner Roles and Responsibilities. Whoever is the private or non-profit partner, four major roles, were identified and discussed: 1. commitment to redevelopment, 2. code compliance, 3. shared redevelopment risk, and 4. coordinated redevelopment to minimize risk and leverage all opportunities.
- o Most Likely Funding Scenario. The final section of Chapter V presents the most likely funding scenario based on current needs, economic conditions and available funding. The public investment would use four main funds: Urban Renewal, Tax Increment Financing, Urban Development Action Grant, and the Community Development Block Grant. All four are equally important to different components of the redevelopment process. Private funds and Small Business Training loans also play a part in the funding scenario.





## **I: PHYSICAL PLANNING**

### **I.A PHYSICAL PLANNING GOALS AND OBJECTIVES**

**GOAL:** Develop a comprehensive inventory of North First Street site amenities and features.

**OBJECTIVE:** Conduct a physical study of the area through existing city infrastructure evaluations and site visitations to collect missing information. Create a detailed AutoCad basemap identifying all relevant physical characteristics of the site, to hand over to the City of Champaign and businesses for continued plan implementation.

**GOAL:** Determine the overall amount and type of traffic on the North First Street.

**OBJECTIVE:** Evaluate Illinois Department of Transportation's (IDOT) traffic survey and conduct additional time-specific traffic counts to supplement the IDOT survey.

**GOAL:** Compile an evaluation of the project area and its limits and capacities for possible redevelopment.

**OBJECTIVE:** Based on information collected, identify problems and advantages associated with redevelopment of North First Street.

### **I.B PAVEMENT AND SIDEWALK CONDITIONS**

#### **B.1 Streets and Alleys**

The First Street corridor from University to Washington is paved with a one inch layer of asphalt over a concrete surface. While able to carry the 8,600 vehicles per day of both through and local traffic the asphalt is cracked in several locations most of these at points where the asphalt meets driveway entrances or where the asphalt ceases at brick side streets. Overall, the pavement on North First Street is functional and in good condition.

According to the City of Champaign Alley Survey in the Neighborhood Wellness Plan, there are two functional alleys that are in poor condition, and one, between University Avenue and Park Street, in average condition. Only the latter is paved with concrete, while the remaining two are dirt and gravel.



## B.2 Curbs and Gutters

Curb style and height are two inconsistencies found along North First Street. Conventional curbs are six inch city standard curb and gutter. Those classified herein as non-conventional are simply the outer edge of the concrete sidewalk. Conventional curb stones are not used from University Avenue until just north of Park Street. Within this section, curb height varies drastically because of the inconsistency of the sidewalk edge. In some places such as the section of new concrete adjacent to the Cattle Bank, the curbs rise five to six inches above the street pavement level. From the point where this new concrete ends until the end of the block, the curb height decreases to a minimum of one inch and then returns to a conventional six inch height at the end of the block.

Unnecessary curb cuts are areas where a driveway entrance exists in front of a lot where buildings have since been removed. There is one unnecessary curb cut in front of 202 N. First Street, one leading to the garage structure now used by Candies Lounge, and one leading to the vacant lot just south of 208 N. First Street. While they cause no immediate problems, unnecessary curb cuts disrupt the uniformity of the sidewalk strip and also serve as an aesthetic eyesore.

On average, the curbs and gutters along North First Street are in poor condition when compared to surrounding blocks. There are a few deteriorated sections of curb stone, and several sections of curb are below three inches which decreases its use and functional purpose.

## B.3 Sidewalks

Sidewalks on the east side of North First Street between University Avenue and Park Street are ten feet wide consisting of five foot by five foot concrete sections. With the exception of a new section of pavement adjacent to the Cattle Bank, the concrete sidewalks are in fair to poor condition. Two major problems concerning this area are cracking and uneven, or raised, sections. The problems associated with an uneven sidewalk are accessibility, safety, and aesthetics. Many of the concrete sections between University Avenue and Park Street are cracked and uneven, and in places off by as much as 1 1/2" (see FIGURE I.1).

A noticeable characteristic of North First Street is that the sidewalk sections nearest to the street are slanted toward the street. This becomes more noticeable further north on the 100 block where sections of cement in this area are raised 1/2". The outer section of one stretch of sidewalk in the two hundred block has been elevated to create an even surface. Rather than sloping toward the street, the outer stretch of sidewalk pavement is built up, level with the base of the building. This results in an additional six inch step above that of the curb height which is five and one-half inches above the street. This is one contributor to the many inconsistencies observed in this area.



**FIGURE I.1 SIDEWALKS FROM 110 N. FIRST STREET TO PARK STREET**

	<b>Tally (total squares = 56)</b>	
Cracked (hairline)	7	6%
Uneven but not Cracked (>1/2")*	6	11%
Cracked and Uneven	1	2%
Good / Fair Condition	42	75%

\* 1/2" was used as the determined minimum height which may cause interference or safety concerns

The concrete square pattern continues from the intersection of Park and First Street through to 204 N. First Street. Within this area there has been some patching of the cement and attempts to smooth out uneven areas. There are a few cracked and uneven sections and because of patching it is not very aesthetically pleasing, but in general this stretch of sidewalk is functional (see FIGURE I.2)

**FIGURE I.2 SIDEWALKS FROM PARK/N. FIRST ST. TO 204 N. FIRST ST.**

	<b>Tally (total squares=16)</b>	
Cracked (hairline)	1	6%
Raised but not Cracked (>1/2")	2	13%
Cracked and Uneven	1	6%
Good / Fair Condition	12	75%

In front of 204.5 N. First Street the sidewalk narrows to to an area comprised of three foot by five foot concrete sections. The concrete used in these sections are old but in good condition with relatively little cracking or unevenness (see Figure I.3).

**FIGURE I.3 SIDEWALKS FROM 204.5 N. FIRST STREET TO HILL STREET**

	<b>Tally</b>
Cracked (hairline)	4
Raised but not Cracked (>1/2")	6
Cracked and Uneven	5
Good / Fair Condition	-



The sidewalk from Church Street to Hill Street is relatively new and in good condition. Also, the sidewalks on the side streets over to Second Street are level and in good condition. Relatively little cracking has occurred on these less traveled walkways.

#### B.4 Handicap Accessibility

There are several aspects of a handicap accessible walkway. One of which is a smooth and level surface on which to travel. Steep slopes and raised sections in the sidewalk can be considered a nuisance to the handicapped.

Another aspect is the provision of ramps. In terms of accessibility to the sidewalks, the only intersection along North First Street lacking ramps is that of North First Street and Park Street. Also, places such as the south intersection of N. First and Park that have steep elevations make it difficult for wheelchairs to use. The intersections along Second Street are all equipped with accessible ramps.

#### B.5 Weaknesses and Strengths of Pavement and Sidewalk Conditions

- Sidewalk along east side of North First Street is not uniform and severely cracked in areas.
- Sidewalk on the east side of North First Street is not completely handicap accessible.
- Curb stones along North First Street are not of uniform style.
- Alleys are in poor condition. Most are unpaved, and paved alleys could stand to be repaved and maintained.
- Curbs along east side of North First Street vary in height from 1" to 10".
- + Pavement in surrounding residential neighborhoods is in good condition.
- + Curbs and gutters along side streets east of North First Street are in good condition.
- + Sidewalks on Second Street are all handicapped accessible complete with ramps.
- + Sidewalks next to Cattle Bank are new and aesthetically pleasing.
- + Sidewalks, curbs and gutters along the west side of North First Street are in excellent condition.

### I.C. LANDSCAPING

The landscaping in the North First Street area varies from very good to total neglect. Some owners have aesthetically improved properties while on other properties landscaping is absent or consists of opportunistic weed trees. The Champaign Park District owns and maintains two flower planters at the north end of the street. New landscaping on the west side of the street has been introduced in conjunction with the development of the Police Station. In contrast, the east side all store fronts have been neglected. No efforts have been made to link the east and west sides of the street.





## C.1 Trees

Trees enhance the look of the area. They are an aesthetic improvement which also provides human scale. On the west side of the street, there are ten evenly spaced trees of about 5-10 years old. There are three trees in each of three sections of the block. The northern most section has only one tree, near the small Police structure. The same type and age of tree is used along the block which introduces uniformity to the west side of the street.

On the east side of the street the trees do not provide the same image. They are not uniformly spaced along the block. In the block between University and Park Street, there are six trees. The trees in front of the Cattle Bank are a quality addition to the property, but very young saplings. These have grates within the sidewalk to provide protection from pedestrian traffic. Grates are unique to this section of the block. The other trees on this block are a type which inhibit visibility of the building facades. There is one tree between Park and Church Streets, five between Church and Hill Streets, and one between Hill and Washington Streets. This random spacing, number, and type of tree detracts from the aesthetic quality they could provide.

The only trees that appear to be planned are those on the Cattle Bank property. Although many of the remaining trees seem to be unplanned, they are of similar size and age. The upkeep of many of these trees appears to have been neglected for a number of years giving them a "weedy" appearance.

## C.2 Grass

Grass is used on both the east and west sides of North First Street. Grass covers much of the unpaved property. On the west side of the street the parkway is of grass and contains trees. Islands within the parking lots also contain grass and trees. These areas are landscaped and well maintained.

On the east side of the street there are parkways in some sections and in other parts the sidewalk extends to the curb. Where there is parkway on the east side, it sometimes consists of grass and in other sections gravel or dirt and weeds make up the groundcover. This variation in care, as well as the excessive weed overgrowth in summer, is unaesthetic and gives a look of neglect.

## C.3 Flower Planters

Planters are used in a few of the city owned and maintained properties of North First Street. The Champaign Police Department has planters in front of its main building which are well maintained and provide an aesthetic entrance to the area from University Avenue.

There is a planter on the west corner of First and Washington Streets and in Skelton Park on the east corner of the same intersection which are both maintained by the Champaign Park



District. These provide a nice entrance to the area from the north. Flowers and landscaping provide a good image and make the area look inviting. There is no other use of flowers or planters along the rest of the street. Using more of this type of decoration would give the area a better aesthetic quality.

#### **C.4 Lighting**

A total of nine mercury vapor lamps are located along North First Street. These are all on the east side of the street. The lamps are not uniformly spaced, however, there is an adequate number on each block. All of the lamps are in proper working order and supply a sufficient amount of light to the area.

#### **C.5 Weaknesses and Strengths of Landscaping**

- Parkways on the east side of the street are inconsistent and of different materials.
- Trees on the east side of the street are unevenly spaced, wild, unpruned, and blocking some of the building facades.
- There is consistent weed overgrowth along sidewalks and parkways along the east side of the street.
- + The Champaign Park District is involved in the area and has stated a commitment to improve the Boneyard Creek and its surrounding properties.
- + Sufficient lighting adds to the potential for nighttime activity.
- + Landscaping and sidewalks are uniform along the west side of the street.

### **I.D NORTH FIRST STREET SEWER SYSTEM**

A review of the existing sewer system facilities was done with the cooperation of Eric Borgers, Civil Engineer with the City of Champaign. Part of this review was to determine the accuracy of the sewer atlas maps and identify any observable problems with the systems. In addition an outline was completed of possible sewer rehabilitation and costs which would be necessary if a streetscape project is undertaken in the North First Street area.

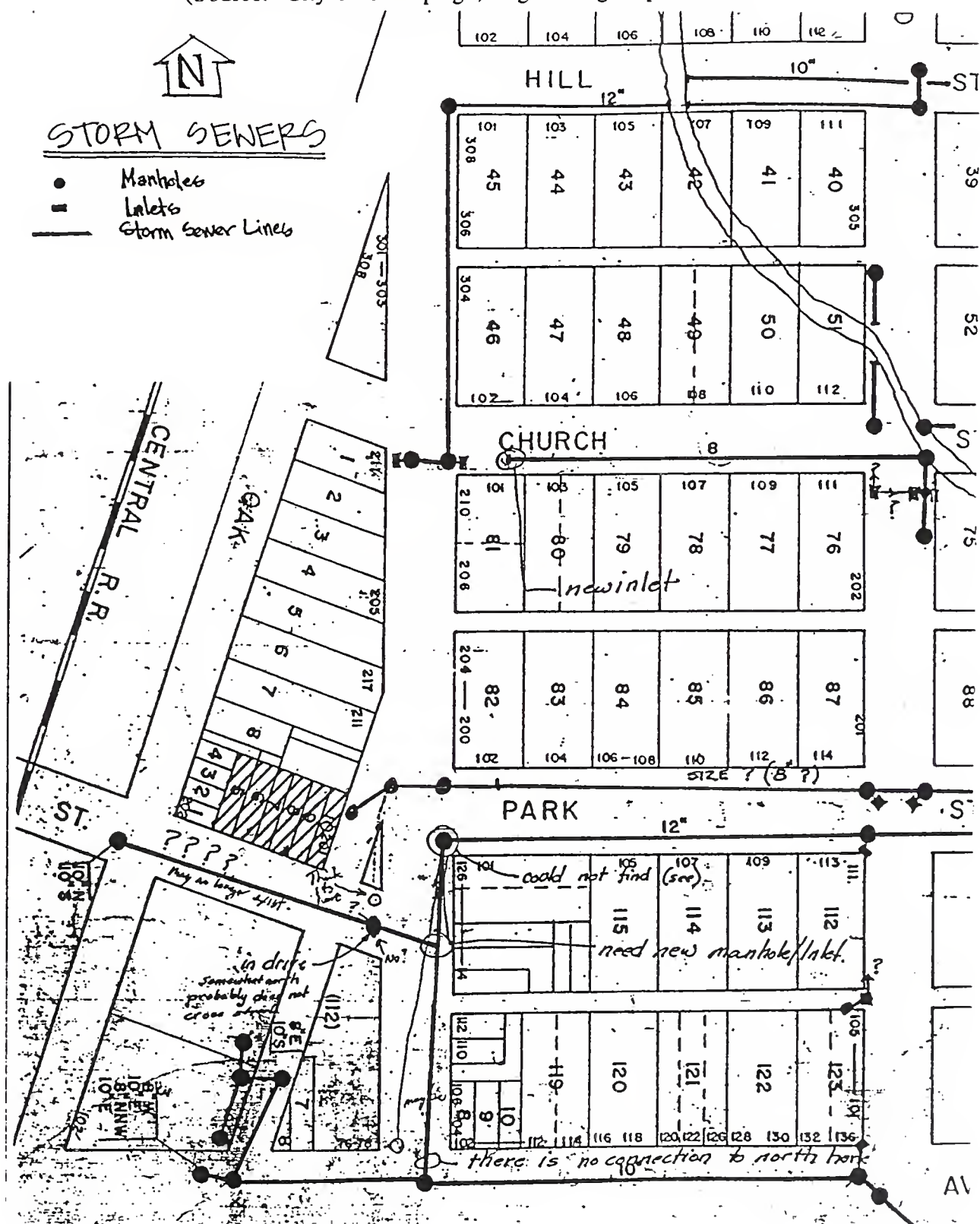
#### **D.1 Storm Sewer System**

Figure I.4 shows notes by the City Civil Engineer regarding existing storm sewer conditions in the area. Special notes were made regarding the location of inlets and manholes, and location of areas recommended for rehabilitation.



**FIGURE I.4 MAP OF THE STORM SEWER LINES IN THE NORTH FIRST STREET AREA**

(Source: City of Champaign, Engineering Department)







## Capacity and Size

Storm sewer lines range in size from 8 inch to 12 inch in diameter. In the areas between North First Street and North Second Street from University Avenue to Hill Street the pipe line sizes are as follows for each street (refer to Figure I.4):

University Avenue	10"
Park Street	12"
Church Street	8"
Hill Street	12"/10"

The larger 12 inch diameter sewer lines are preferred, however, unless frequent flooding is observed and known to occur the 10 inch diameter lines are sufficient and upgrading to the larger diameter sewers is not proposed at this time. Regarding the 8 inch diameter lines, upgrading to a larger diameter sewer is recommended. If in the future a project is proposed for the North First Street area then upgrading all the sewer lines may be necessary and should be considered prior to any rehabilitation of the sewer lines.

From the information obtained from Mr. Borgers there are a total of 9 inlets and 6 manholes in the area. Most of these inlets and manholes are old and of brick construction and should be scheduled for rehabilitation. When rehabilitation takes place miscellaneous curb and gutter work when adjusting castings should be anticipated.

Storm Sewer Special Notes (refer to Figure I.4):

- o There is no sewer line connection to the north at the intersection of University Ave. and N. First St. as shown on the city atlas map.
- o There is a manhole located in the southbound lane at the intersection of University Ave. and N. First St. that is not shown on the city atlas map.
- o The manhole on the southeast corner of N. First St. and Park St. is not visible.
- o A new manhole/inlet is needed at the storm sewer line connection in front of 116 N. First St.
- o A new inlet for the storm sewer line is needed in front of 101 Church St.

Storm Sewer Rehabilitation Cost Estimate



Preliminary cost estimates are listed below based on recently completed rehabilitation work in the Champaign area:

Storm Sewer Spot Repairs	2	@ \$ 3,000	=\$ 6,000
Storm Sewer Inlet Rehab	7	@ \$ 800	=\$ 5,600
Storm Sewer Manhole Rehab	6	@ \$ 1,000	=\$ 6,000
Miscellaneous (curb & gutter, pvmt., etc.)	LUMP SUM		\$ 2,400
Contingency at approx. 10%			<u>\$ 2,000</u>
<b>Subtotal Sanitary Rehab</b>			<b>\$ 22,000</b>

## D.2 Sanitary Sewer System

Figure I.5 shows existing sanitary sewers in the area, abandoned sewers, and locations of areas recommended for rehabilitation.

### Capacity and Size

According to Mr. Borgers the existing sanitary sewers are all 6 inch diameter clay pipes. This is considered substandard and these pipes should be replaced with 8 inch diameter sewers that carry more flow and require less slope. This rehabilitation should take precedence over storm sewer rehabilitation. It is also important for the city to make sure that any rehabilitation that does occur is sufficient for possible projects that may occur in the area and is done properly so as to avoid having to make changes in the near future.

The proposed upgrade includes approximately 1550 lineal feet of 8 inch sewer and nine manholes. In order to make certain all existing services that would remain are connected the new sanitary sewers would be installed at the same depth as the existing sewers.

The north-south line parallel to North First Street and north of the alley between University Avenue and Park Street may need to be relocated further east to avoid conflict with existing or new buildings along North First Street.

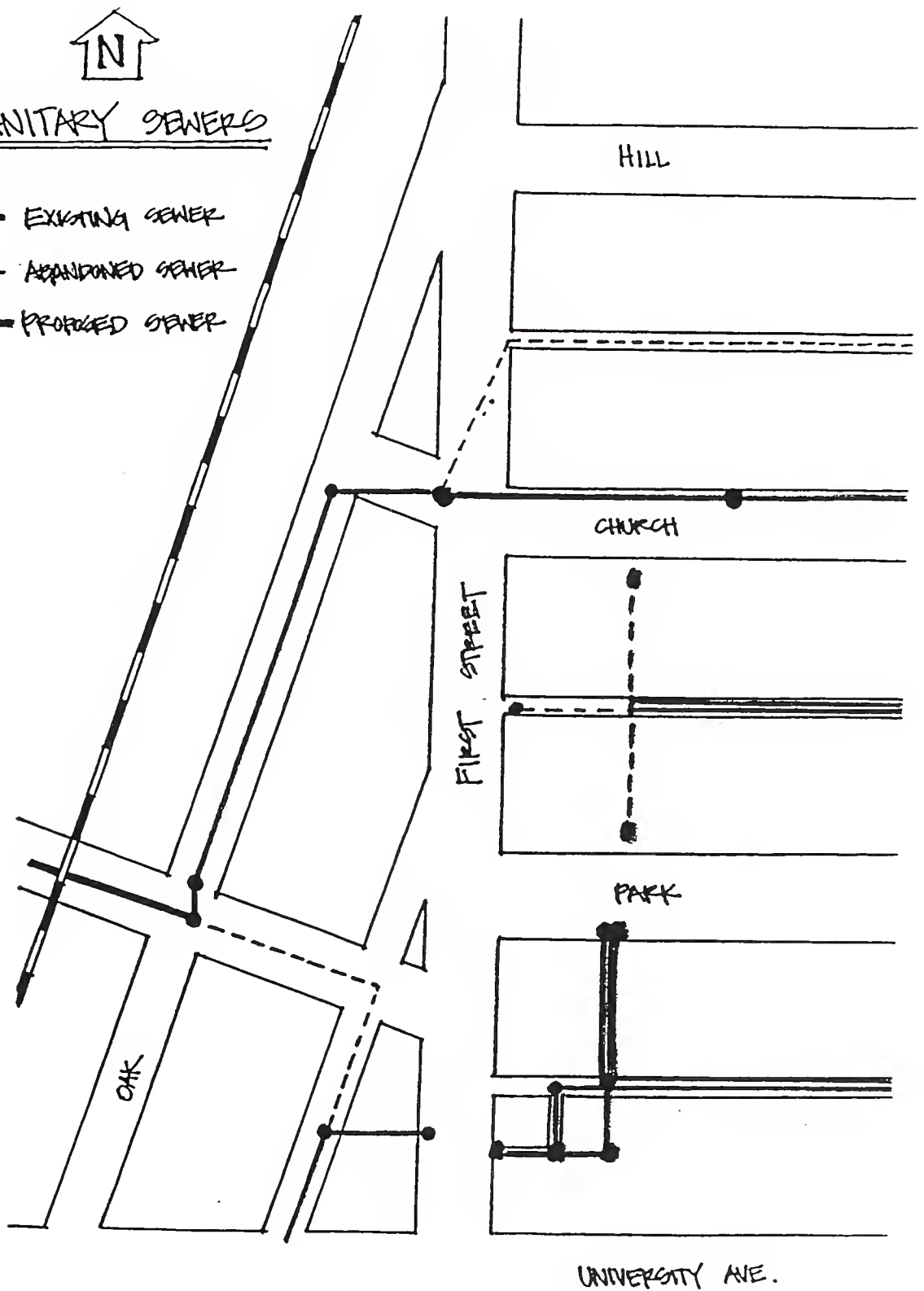
The alley between University Avenue and Park Street is the only alley in this area that is concrete paved. When the sewer along this alley is replaced it will need to be backfilled appropriately and repaved with concrete.

### Sanitary Sewer Special Notes:

- o North-south line parallel to N. First St. and between University Ave. and Park St. appears to be very close to the walls of those buildings but not under the buildings as shown on the city atlas map.



FIGURE I.5 MAP OF THE SANITARY SEWER LINES IN THE NORTH FIRST STREET AREA  
(Source: City of Champaign, Engineering Department)





- o The two manholes north and west of the Cattle Bank could not be found.
- o Sanitary sewer line shown on the city atlas map in the alley between 112 and 114 N. First St. could not be found and therefore may not be connected to the sanitary sewer network.
- o The Sanitary sewer line shown on city atlas map in the alley between 204 and 206 N. First St. could not be found and therefore may not be connected to the sanitary sewer network.
- o A new sanitary sewer line would need to be installed parallel to N. First St. in the 200 block behind those buildings located on N. First St. only if a final streetscape project dictated it.
- o The sanitary sewer line running along the alley between Church St. and Hill St. has been or should be abandoned.

### Sanitary Sewer Rehabilitation Cost Estimate

Preliminary cost estimates are listed below based on recently completed rehabilitation work in the Champaign area:

8" diameter Sanitary Sewer	1550	LF	@ \$	40 =	\$ 62,000
Sanitary Sewer Manholes	9	@	\$ 1,700 =	\$ 15,300	
Service Connections	3	@	\$ 1,000 =	\$ 3,000	
Selected and Special Backfill	600	CY	@ \$	45 =	\$ 27,000
PCC Pavement Replacement	394	SY	@ \$	75 =	\$ 29,550
Contingency at approx. 10%					<u>\$ 10,950</u>
<b>Subtotal Sanitary Rehab</b>					<b>\$147,800</b>

### D.3 Total Sewer Rehabilitation Cost

The individual estimates for storm sewer and sanitary sewer systems are extremely conservative, therefore, the combined rehabilitation costs are considered low. The below figures are just estimates from the City of Champaign Engineering Division based on other recent rehabilitation work and additional costs due to inflation, error, and the like should be considered prior to any rehabilitation in the N. First Street Area. In addition, sanitary sewer rehabilitation should take precedence over storm sewer rehabilitation.

Subtotal Storm Sewer Rehabilitation	=	\$ 22,000
Subtotal Sanitary Sewer Rehabilitation	=	<u>\$ 147,800</u>
<b>Total Rehabilitation Cost</b>		<b>\$ 169,800</b>

### D.4 Weakness and Strengths of the North First Street Sewer System

- Both the sanitary and storm sewer systems are old and in poor condition and need rehabilitation.
- Estimated cost for rehabilitation of the sanitary and storm water sewers are very conservative and additional costs may have to be endured by the City of Champaign.





- Sanitary sewer rehabilitation is more critical and will cost the city substantially more than the storm sewer rehabilitation.
- Abandoned steam tunnels exist throughout the area and may pose problems during rehabilitation efforts.
- + The planned Boneyard Creek improvements should have an overall positive impact on the North First Street area, in particular, regarding flooding problems.

## I.E NORTH FIRST STREET PARKING

Figure I.6 shows the location of all parking in the North First Street Area

### E.1 Availability and Adequacy of Parking in the North First Street Area

Parking availability and adequacy in the North First Street area was analyzed by taking a visual count of all available parking and reviewing the City of Champaign zoning ordinance as it relates to parking requirements for both business and residential uses. Current parking along North First Street exists primarily in a parking lot on the west side of the street adjacent to the Champaign City Police Station. In addition to this lot there is also on-street parking available along the east side of the street. Specifically, current parking is broken down as follows:

#### Lot on west side of North First Street

66	Police parking spaces
2	Handicapped parking spaces
73	Public metered parking spaces
80	Leased parking spaces

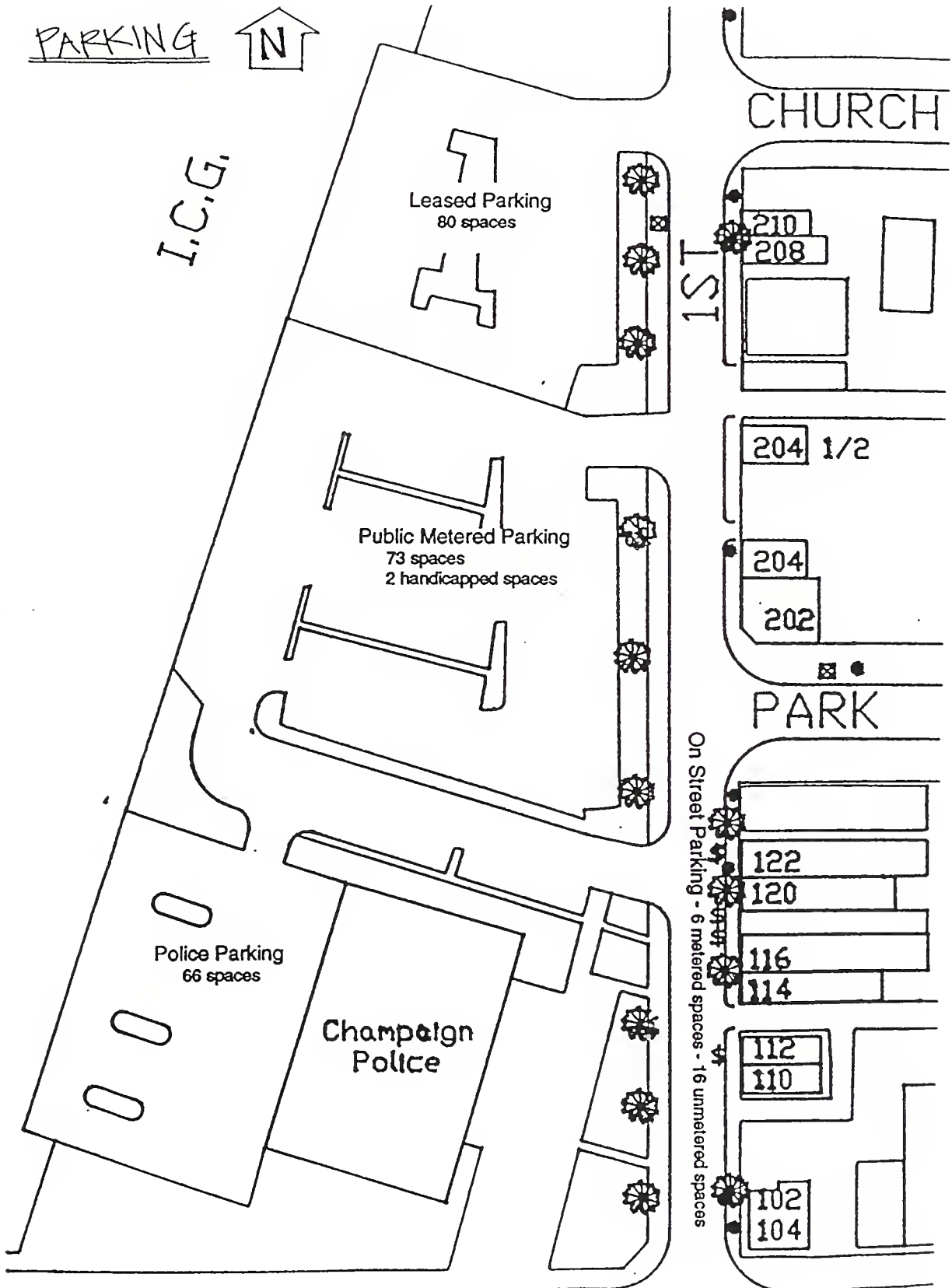
#### Spaces along east side of North First Street

6	Metered on-street parking spaces (between University Ave. & Park Ave.)
16	Non-metered on-street parking spaces

After identifying the current parking situation it was the intention of the Physical Planning Team to analyze the adequacy of parking available to the number of businesses in the area. Unfortunately, the square footages for each business was unavailable to us which would have allowed us to compare parking requirements with the guidelines set in the City of Champaign zoning ordinance and in the Champaign Downtown Area Comprehensive Development Plan. We do, however, note that in observation of the area during different days of the week and different times of the day that there did not appear to be a parking problem. If there is a perception of lack of parking in the area it may be due to poor sign placement notifying customers of available public parking within the lot on the west side of the street. Current assumption of customers may be that the lot is for police business only and this assumption should be corrected with proper sign placement.



FIGURE I.6 MAP OF AVAILABLE PARKING IN THE NORTH FIRST STREET AREA





Further, the City of Champaign currently leases a total of 80 spaces within the lot which is primarily rented by employees (both city and private) that work in the downtown area on the west side of the IC railroad tracks. If a project is proposed for the North First Street area that would increase the number of business and/or customers and residents it is recommended that the City of Champaign return those spaces to the North First Street users by relocating current renters into the downtown area. In addition to parking in the west lot it may be an option to utilize empty building lots along the east side of the street for temporary or possible permanent parking as needed. In using this option it must be noted that all new lots within Champaign are required to be paved and this cost must be considered in choosing this option.

## E.2 City of Champaign Parking Requirements

For purposes of reference the parking guidelines in the City of Champaign zoning ordinance and Champaign's Downtown Area Comprehensive Development Plan are listed below:

Champaign zoning ordinance parking requirements for specified uses:

Bars & Restaurants	1/125 sqft floor area
Barbershop	1/200 sqft floor area
Clothing Stores	1/200 sqft floor area
Commercial Recreation	1/125 sqft floor area

Champaign's Downtown Area Comprehensive Development Plan (Table 5, p. 80):

Retail	1.7/1,000 sqft floor area
Office	2.3/1,000 sqft floor area
Residential	1.1/unit
Warehouse	1/2,000 sqft floor area

Note: These estimates are more conservative than zoning ordinance requirements.

## E.3 Weaknesses and Strengths of Parking in the North First Street Area

- Lack of signs in west lot to notify customers of parking availability.
- City leasing North First Street parking area to downtown users.
- + Based on observation parking availability is currently adequate.
- + Majority of current parking is long-term (i.e., longer than one-hour meters).
- + Parking areas are well lit after dark.





## I.F NORTH FIRST STREET TRAFFIC EVALUATION

### F.1 Traffic Survey Objectives

A survey of traffic volume was conducted of the North First Street area beginning on September 24, 1993 and ending on October 5, 1993. This survey was conducted to verify the volumes as measured by IDOT's 1990 traffic survey and to identify overall traffic patterns and densities in the North First Street area. Traffic was also studied to provide additional information relative to the area including pedestrian counts, traffic directions, infrastructure conditions and capacities, traffic accidents, and observations of commercial uses relative to parking and traffic.

Two surveys were evaluated:

1. Consultation of IDOT traffic survey - Traffic counts of N. First St. and surrounding areas
2. Supplemental survey conducted by field observations

### F.2 IDOT Traffic Survey Results: 1990

The traffic on First Street is fairly consistent in its density from as far south as Springfield Avenue to as far north as North First Street's continuation on Market Street. A daily average of about 8000 cars was counted along this stretch of First Street. First Street from University Avenue to Washington Street experiences slightly higher volumes of traffic. The area bounded by University Avenue on the south and Park Street on the north experiences the highest volume, around 8600 cars per day, while the area bounded by Church Street on the south and Washington Street on the north experiences a volume of about 8300 cars per day. Figure 1.7 illustrates these totals.

University Avenue, which provides a major feeder of access to North First Street, has some of the highest volumes of traffic in Champaign. The intersection of First Street and University Avenue in particular experiences a daily average traffic count of roughly 26,000 cars. University Avenue serves as a major East-West artery between Champaign and Urbana and also serves as the primary feeder street from the East to Champaign's downtown business district.

Washington Street conducts an average daily volume of 2750 cars and has a minimal impact on our study area.

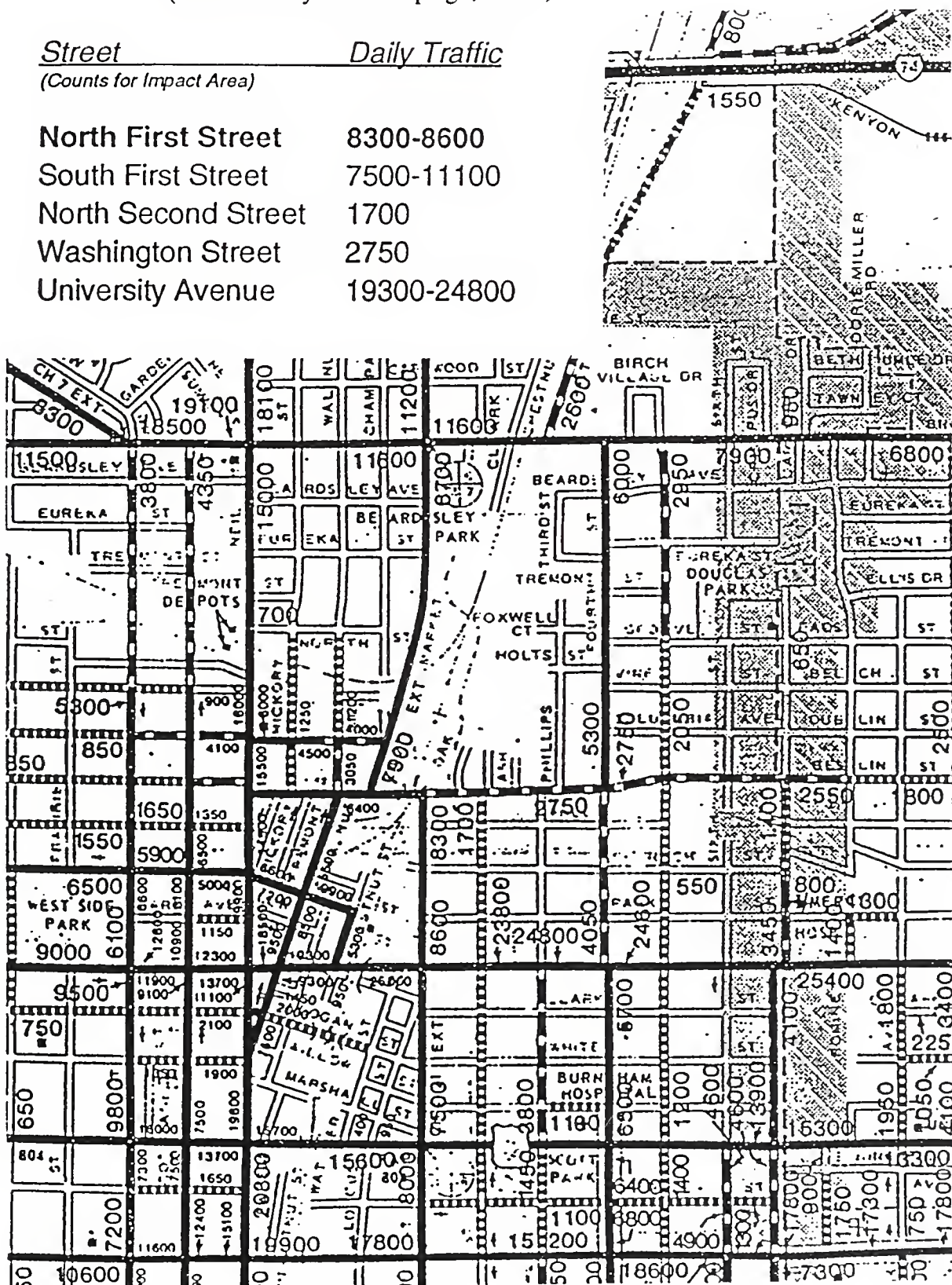
### F.3 Physical Planning Team Survey Results: 1993

The supplemental traffic survey provides some insight into the current usage of the North First Street area, however the survey represents only a rough sample of traffic patterns and therefore cannot be considered a substitute for the IDOT data.



(Source: City of Champaign, IDOT)

<u>Street</u>	<u>Daily Traffic</u>
<i>(Counts for Impact Area)</i>	
North First Street	8300-8600
South First Street	7500-11100
North Second Street	1700
Washington Street	2750
University Avenue	19300-24800





## Method

- The survey was conducted from the municipal lot on N. First St. in the middle of the block between Park Street and Church Street.
- The survey consisted of a checklist in which variables were tallied and then added
- Four criteria were used to evaluate both vehicular and pedestrian traffic patterns:
  - a. Time of Day
  - b. Direction of Travel / Destination
  - c. Method of Travel / Type of vehicle
  - d. Density of Traffic

Twelve traffic evaluations were conducted for either a half and hour or an hour intervals of time. The individual surveys produced the following results (See Figure I.8).

**FIGURE I.8 RESULTS OF INDEPENDENT SURVEY**

Date	Time	Cars	St. Park	Lot Park	Pedestrian
9/24 Fri	12:00-1:00pm	583	NA	54	45
9/25 Sat	10:03-11:03am	415	8	20	50
9/25 Sat	6:30-7:30pm	216	4	6	18
9/26 Sun	12:02-1:02pm	582	18	40	81
9/27 Mon	8:00-9:00am	263	NA	32	84
9/27 Mon	4:14-5:14pm	652	18	40	88
9/27 Mon	7:00-8:00pm	248	NA	30	14
9/27 Mon	10:38-11:38am	403	NA	NA	9
9/28 Tue	5:00-5:30pm	352	NA	18	54
9/29 Wed	9:00-9:30pm	170	NA	8	24
10/1 Fri	1:03-1:33pm	432	9	15	65
10/5 Tue	9:19-9:48am	384	5	10	40

Cars: how many cars were observed traveling on N. First St.

St. Park: how many cars were observed parking along N. First St.

Lot Park: how many cars were observed parking in the municipal lot on the West side of N. First St.

Pedestrian: how many pedestrians were observed traversing N. First St.

NA: not available

## F.4 Evaluation and Observations

North First Street serves as a major traffic venue in Champaign. North First Street conducts a high volume of traffic from southern Champaign, and the University campus, to northern Champaign along First Street to Market Street. It appears that the traffic on North First Street is primarily through traffic and has minimal effects on the businesses located on North



First Street. University Avenue conducts high volumes of vehicular and pedestrian traffic, however this traffic does not, for the most part, turn North onto the First Street area.

Peak traffic volumes on North First Street appear to be focused between the hours of 12:00pm and 5:00pm during weekdays. Traffic during this time can exceed 700 cars per hour. During this time traffic at the intersection of First Street and University Avenue will often become backed up in excess of 15 cars on any particular side of the intersection. Pedestrian counts of up to 80 persons per hour were observed during these peak times.

There does not seem to be any pronounced differences in the amount of traffic traveling either north or south along North First Street. Cross traffic from the secondary streets (Park Street, Church Street, and Hill Street) and alleys, has minimal impact on North First Street traffic volumes; less than 20 cars per hour during any of the evaluations conducted.

The current traffic oriented infrastructure available on North First Street and the surrounding neighborhood is in a somewhat deteriorated condition, yet it conducts current traffic in an efficient and structured manner. If redevelopment occurs on a scale concurrent with present conditions, the capacity of the infrastructure to conduct traffic is anticipated to be sufficient. However, if redevelopment is conducted on a larger scale, including development on the west side of North First Street, the current infrastructure, including parking, will have to be expanded.

#### F.5 Traffic Accidents

North First Street does not experience many traffic accidents (See Figure I.9). Compared with other streets of similar size, North First Street does not experience significantly more or less traffic accidents. Neither the physical condition of North First Street nor the traffic control devices on North First Street appear to contribute to these accidents.





### FIGURE I.9 TRAFFIC ACCIDENTS ON NORTH FIRST STREET IN 1992

(Source: Champaign Urbana Urbanized Area Traffic Study (CUUATS), 1992).

Date	Time	Intersection	Accident Type	Injuries
1/2/92	1:00pm	University Ave.	Angle	0
3/28/92	2:00pm	Park St.	Rear End	0
3/29/92	12:00am	Washington St.	Angle	0
4/4/92	4:00pm	Washington St.	Fixed Oobject	1
4/22/92	6:00pm	University Ave.	Angle	2
5/12/92	10:00am	University Ave.	Turning	0
6/6/92	9:00pm	University Ave.	Fixed Object	0
9/11/92	6:00pm	Park St.	Overturned	1
9/16/92	5:00pm	Washington St.	Fixed Object	1
9/18/92	10:00pm	Park St.	Turning	2
11/3/92	5:00pm	University Ave.	Turning	0
11/23/92	9:00am	University Ave.	Angle	0
12/6/92	10:00pm	University Ave.	Turning	1

#### F.6 Weaknesses and Strengths of Traffic Conditions on North First Street

- North First Street businesses do not attract the high volumes of traffic and the street mainly serves as a North-South thoroughfare for the area.
- North First Street is prone to flooding during heavy rains and can become impassible to vehicles and pedestrians.
- + North First Street consistently experiences high volumes of traffic especially during the business hours.
- + University Avenue has large volumes of traffic and serves as a primary feeder of access to the Champaign downtown area.
- + The streets are in adequate repair to maintain existing levels of traffic and do not facilitate high levels of accidents or congestion.

### I.G COMPARATIVE ANALYSIS OF COMMERCIAL ZONES

In order to rate the North First Street area in terms of its quality as a commercial zone, a comparative survey with other commercial areas in the city of Champaign was conducted. The commercial areas which were chosen were determined to be of similar size and age to the North First Street area. The purpose of the comparisons made in this study are to provide insights into the value of this area as a commercial district. This analysis only provides information as to how the North First Street area measures up to similar commercial areas in certain categories. It must be noted that the study area is unique to the City of Champaign and it is difficult to compare it to any other area. Rankings have been made as to several different aspects of each area on a scale of 1 to 5. On this scale, a 1 is lowest quality, a 5 is highest quality, and a 3 is of comparable quality to the North First Street area.



The following aspects were rated:

- o Location: This was rated by whether the area is in a good location to attract business.
- o Condition: Condition of the buildings and the infrastructure.
- o Aesthetics: A subjective score on overall appearance.
- o Traffic: Traffic flow was observed at each site and compared to North First Street as to volume and direction.
- o Business volume: The number of buildings occupied and what types of businesses exist in the area.
- o Historic: The historic quality of the area and the possibility it being designated a historic area.
- o Access: The ease or difficulty in reaching the area.

Four different commercial areas in Champaign were evaluated. These areas as follows:

500 block of North Neil Street  
100 block of South Neil Street  
200 block of south First Street  
0-100 block of East Main Street

The average ratings for each category have been calculated and compared (See FIGURE I.10 below).

**FIGURE I.10 RESULTS OF COMMERCIAL ZONE COMPARATIVE SURVEY**

	N. First St.	500 block N. Neil St.	100 block S. Neil St.	200 block S. First St.	0-100 block E.Main St.
Location	3	4	5	3	5
Condition	3	5	4	4	5
Aesthetics	3	4	5	2	5
Traffic	3	4	5	2	2
Bus. Vol.	3	4	4	3	3
Historic	3	3	2	3	4
Access	3	4	4	3	3

Through the analyses of each area, some conclusions have been made about how North First Street compares with other commercial areas in Champaign. In size, the areas studied are similar to that of North Street. The age of the buildings in each area has been determined to be similar to that of North First Street.

#### G.1 Location of North First Street

In looking at the location of each of the commercial areas as it relates to being in a good position to attract business, the ratings were not all the same. The 500 block of North Neil,



the 100 block of South Neil, and the 0-100 block of East Main all rank higher than the 200 block of South First and the North First Street area. The traffic patterns, access, and closeness to other highly used commercial areas were used to rate the location of each area. The First Street areas are located at a highly traveled intersection, however, the other areas are in the downtown section of the City of Champaign.

## G.2 Condition of North First Street

All of the areas compared to North First Street ranked higher in the condition aspect. The buildings in each area are at least in fairly good condition, and are structurally sound. The infrastructure is in good and uniform condition. On North First Street the buildings are deteriorating and infrastructure is in desperate need of repair.

## G.3 Aesthetics of North First Street

In the aesthetics category, the 200 block of South First ranked lower than North First Street, and the others ranked higher. In the South First Street area, the building heights, the lack of trees or grass, and the appearance of empty lots contributed to its low rating. The areas which ranked higher had good sidewalks, landscaping with trees, grass, and flowers, and had

a complete edge along the block. The North First Street area lacks an edge on the west side of the street. Non-uniform sidewalks and landscaping are a detriment to the aesthetic quality.

## G.4 Traffic on North First Street

Traffic in each area was somewhat different. One area had one-way only traffic and others had two-way. The two areas on Neil Street ranked higher than North First Street in this area although they have only one-way traffic. The cross streets and volume of use add to the amount of traffic in these areas. The other two areas studied have less traffic than North First Street because they are not on as highly traveled of a street.

## G.5 Business Volume of North First Street

The business volume ratings were all higher than the North First Street area due to the fact that more buildings in each area were occupied with businesses or offices. Also the types of businesses attract more people. North First Street has a few vacant buildings and lots which detract from business volume.

## G.6 Historic Quality of North First Street

The North First Street area ranks similarly to the other areas in the historic aspect. The 0-100 block of East Main Street ranks higher, however. This area has a strong sense of history to the city and is also in very good condition. It is also on the edge of the downtown. The





other areas don't seem to mean as much to the character of the city. The North First Street area has a lot of history and historic architecture, however there are a few noncontributing buildings.

#### G.7 Access to North First Street

The only areas which ranked higher than North First Street in the aspect of access were the areas on Neil Street. Neil Street is a major thoroughfare for traffic through the city and is more highly traveled than North First Street.

#### G.8 Weaknesses and Strengths of North First Street as a Commercial Zone

- Many of the buildings are in serious need of structural rehabilitation.
- The combination of vacant lots, buildings in disrepair, and the lack of a link between the east and west sides of the street results in its unaesthetic appearance.
- + Many of the existing buildings have a rich architectural history.
- + The North First Street area is situated at a highly traveled intersection of traffic coming to and from campustown and downtown Champaign.



## **II. HISTORIC BUILDINGS: THEIR SIGNIFICANCE AND POTENTIAL VALUE**

### **II.A Introduction**

A number of the commercial buildings within the 100 and 200 blocks of North First Street are uniquely significant as the only cluster of African-American-owned businesses that Champaign has had at any time. They also represent a considerable portion of Champaign's remaining railroad-related commercial development. In terms of urban design, these buildings provide needed visual-historical continuity between two larger adjacent historical areas. However, the physical survival of the North First Street buildings is in jeopardy both because of long-term deterioration and because of the lack of historically sensitive planning measures for the area. For these reasons, and because historic preservation planning is a demonstrated tool for economic revitalization, we present findings and recommendations relative to the history and architecture of North First Street.

This chapter presents research findings detailing the historical and architectural significance of the North First Street study area and the range of threats to its historical architectural resources. A major task of the contributors was to construct a set of building ratings based on historical and architectural significance and present condition. Thus the chapter assesses the feasibility of historic preservation of individual buildings and the area as a whole. Another task was identifying and evaluating sources of funding for historic-preservation projects. Appendices present detailed individual building ratings (Appendix II.A), suggested funding sources including those that depend on the presence of historic buildings and structures (Appendix V.1), and design guidelines for new construction and alteration in historic areas (Appendix II.B).

### **II.B Historical Significance Of The Study Area and Its Surrounding Neighborhood**

#### **B.1 Summary**

The larger urban area extending from the railroad tracks east at least to Fifth Street, and from University Avenue north at least to Church Street, is central to both railroad history and the history of African-American settlement in Champaign from the 1860s through the 1960s. With the exception of the Cattle Bank (c. 1856), historic buildings and other structures in this area mostly date from the 1870s through 1930s. Remaining churches, residences, and businesses in this area create a complete historic neighborhood. Extant buildings uniquely represent the African-American business presence in Champaign, which needs further research to be fully evaluated.



## B.2 Note On Methodology

The history of "ordinary people," especially if they are people of color, is time-consuming to research because written and photographic records tend to be minimal, and a network of informants can only be built up with lengthy effort. We conducted a limited number of interviews with long-time members of Champaign's African-American community; however, when we circulated flyers to local schools expressing our desire to collect oral histories and view memorabilia of the community, we met with no response whatsoever. Archival historical data were collected from city and county directories, Sanborn fire insurance maps, and ephemera files at the Champaign County Archives, Urbana Free Library. Further research would certainly expand, and probably correct, the following brief discussion of historical significance.

## B.3 The Railroad and 19th-Century Settlement

When the Illinois Central Railroad located two miles west of the Urbana courthouse, the town of Champaign (formerly West Urbana) was created. Its first business center was east-west running Main Street, where the Doane House (1865-1868, destroyed by fire) served as train depot and boarding house for railroad workers, as well as hotel, restaurant, and saloon for the general public.

Businesses also located along what is now University Avenue, connecting Champaign and Urbana. The Cattle Bank (c. 1856), a two-story Italianate commercial building at the corner of University and North First, illustrates an important early function of the railroad: carrying cattle from as far south as Texas to the stockyards of Chicago.

However, the Cattle Bank soon failed. Under various proprietors, the building became a "corner store" representative of retail and service development along North First Street that created a continuous business area from Main to University. Some industries such as a mattress factory and sheet metal shop also flourished; but many of North First's businesses from the 1870s all the way through the 1960s were small shops, including groceries, bakeries, saloons, tobacconists, and barber shops. Some of these businesses probably located on North First to serve the needs of middle-and working-class residents who settled east of the railroad tracks, while a mostly elite neighborhood was developing west of the tracks. For most of the historical period, the mix of establishments on North First was similar to that on adjacent East University.

Among settlers east of the tracks by the 1890s were railroad employees of European descent and, probably, a few African-Americans. The presence of Germans and Irish east of the railroad tracks is attested by the building of the still-extant Saint Mary's Roman Catholic Church (established 1858) and a "Dutch Reformed" church in 1863. Churches called German Methodist and German (Evangelical) Lutheran still existed until World War I. The African-American presence, which tripled in Illinois between 1860 and 1870, is attested by church and county directory records of Bethel African Methodist Episcopal (first building 1864?) and Salem Baptist (first building 1870?). These congregations provided the only African-



American churches in Champaign County for many years, and they were undoubtedly important in establishing the area as Champaign's historical African-American neighborhood at a later date. But African-Americans were relatively few in number before about 1910, and not so residentially segregated as they were later to become.

#### B.4 African-American Settlement And Entrepreneurship

Railroad and service employment openings brought a substantial black minority to Champaign during the early 20th century. After the turn of the century, African-Americans began migrating northward in large numbers, hoping to escape labor and social conditions in the South and find industrial employment in big cities such as Chicago. But many African-Americans stopped to work for the railroad itself along the way. As well, increasing size of the University of Illinois after World War I meant an increasing number of service jobs for African-Americans working for the university, its employee families, and fraternities and sororities.

City directory listings by race are not particularly reliable and leave many years uncovered. (Supplementary research using the manuscript United States Census would produce greater accuracy but only cover the years to 1920.) Listings for business owners indicate race for only a few years; however, race of residents is indicated between about 1908 and 1937. The area east of North First and north of University has apparently been home to both whites and blacks throughout its history, with at least some of North First Street's retail establishments and services open to both races. The Chinese were also represented, by a laundry with residence above, at 110 (now Tweet's) from 1909 to 1929. The owner of Heimlicher's, whose race is unknown, is said to have contributed to the building of Bethel A.M.E.'s first major church. The early presence of two African-American churches, with pastors' residences, may have produced a nucleus of black settlement east of Fourth and north of Hill. African-Americans had formed part of a racially mixed population disbursed throughout the area by the late 1930s, when even commercial streets like First and University still had residential addresses and living accommodations above business premises. Black barbershops, taverns, and other businesses have been located at several North First Street addresses since the 1930s and 1940s.

The start of African-American business on North First Street itself occurred in 1938 and can be traced to the long tradition of barbering as one of the few forms of entrepreneurship accessible to African-Americans in early days. Two independent black barbers, who lived on East Park and East Church respectively, are listed in the 1870 county directory as plying their trade on Walnut Street; since then, black barbers are listed continuously in city directories. The first two to open shops on North First Street were Arthur C. Merrifield (210 North First) and Speedie J. McDowell (124 North First, residence at 304; both now demolished). McDowell had worked some years for Merrifield around the corner at 108-1/2 East University and other locations. McDowell remained on North First until 1956 or 1957 when he moved his shop and residence to 205 North Fourth. He is an apparently rare success story of local





African-American entrepreneurship and was able to send at least one child to the University of Illinois.

#### **B.5 Most Historically Significant Building: 210 North First Street**

Arthur Merrifield apparently remained in business only a year after moving to North First, but his son Frederick K. Merrifield is listed in business at 210 from 1947 through 1969. This location is still a barbershop and is the commercial building of greatest significance to the Champaign African-American community that has so far been identified. In 1943 it also became the home of the black-owned Rainbow Tavern (formerly at 71 East University, owned originally by Wright and Carrie Elliott). From 1947 to the present it has housed the African-American Masons' Lone Star Lodge and a variety of black-owned businesses. Notably, there is still a barber shop (Banks's) at 210.

#### **B.6 Decline of North First Street**

The recent history of North First Street deserves more detailed research than we were able to conduct, but informants seem generally agreed that it had begun to decline by the 1960s after serving for several decades as the only concentration of African-American owned businesses in Champaign and a commercial focus for the adjacent neighborhood. Lack of private capital and city disinvestment no doubt both played a part. Ironically, urban renewal and somewhat expanded residential choices for blacks probably contributed as well. A planned Urban Renewal project to revitalize the commercial area was not completed and a cooperative grocery store failed. Rioting during the 1960s frightened away whites. The final blow to the street may have been the departure of a bank from the northwest corner of First and University and its replacement by the Champaign police headquarters and an extensive parking area. However, as noted in other chapters of this report, several African-American owned businesses still appear to be doing well.

### **II.C Architectural And Urban Design Significance; Integrity and Condition of Individual Buildings**

#### **C.1 Summary**

The mostly two-story historical buildings from 102 East University north to 208-210 North First Street are in a variety of vernacular commercial, residential, and industrial styles, with two high-style examples. In spite of the changes most buildings have undergone, the poor condition of many, and the loss of historical buildings across the street, the buildings on the east side create a significant architectural ensemble.

#### **C.2 Note on Methodology**

An architectural and engineering firm has prepared a separate report on physical condition of the North First Street Buildings, and this report should be consulted for detailed information.



Comments on building condition below are taken from exterior observation and from the separate report.

### C.3 Architectural and Urban Design Significance of the First Street Ensemble

Overall significance is created by the following factors:

- o Architecture of the historical buildings is in keeping with the region and harmonious among buildings in scale, design, and materials, with masonry construction, decorative cornices, cast-iron facade elements, and predominately vertical proportions. Consistent placement of pairs of buildings abutting the sidewalk ("zero lot-line") and close to neighbors, with few gaps, also contributes to the sense of ensemble and defines the historic alley pattern of central Champaign.
- o Two somewhat larger, "high style" buildings, 202 North First Street (whose details have since been removed) and 102 East University (the Cattle Bank, fully restored), are placed strategically to frame or "anchor" most of the historical part of the street visually and suggest its early role as more than just a local shopping and service block.
- o Modern intrusions are limited to two buildings, 204 and 206 North First. These buildings are unobtrusive because they are located at one end of the street and are consistent in scale and setback with historic buildings.
- o Style and placement of historical buildings cause the street to "read" visually as part of Champaign's central business district. The North First Street ensemble is integral in conveying the historical and visual eastern boundary of the CBD and the connection across the railroad tracks of Main Street, to the northwest, and East University, to the southeast.

### C.4 Individual Buildings: Significance and Present Physical Condition

The most architecturally significant historical buildings remaining, other than the Cattle Bank, are two-story brick structures at 110, 112, 114, 120, and 202 North First. Of these, only 110 and 120 are known to be in relatively good condition. (See Appendix II.A. for detailed evaluations of these and other buildings.) Other buildings from the historical period, 116, 122, and 208-210 have been judged less architecturally significant (though some are in good condition) either because of original lack of quality or because of extensive modernization of facades.

The buildings at 112 and 114, which are closely adjacent, were both constructed during the 1870s. The facade of 112 North First was remodeled during the early 1900s and has good brick ornamentation with stone sills and details. The facade of 114 North First, which retains its original appearance, combines brick corbels and arch lintels with a tin cornice and cast iron columns. These buildings convey an exceptionally strong sense of time and place and



link visually to the Cattle Bank. Unfortunately, the owner of 112, which is vacant, would not allow it to be inspected; and 114, which is also vacant and has suffered a fire, needs rehabilitation at a cost about equal to the cost of demolition and replacement. Also built during the 1870s, 120 North First (Buddie's Bar) lacks a cornice and has undergone some facade alteration but retains some original details and needs only minor remodeling. The corner building at 202 North First is the most significant for its urban design qualities after 102 East University. This 1902 building, although in scale with others on the street, dominates by virtue of its location and corner entry. In contrast to other buildings that do not represent particular styles, 202 was a "high style" Queen Anne that has since lost important details such as its turret, oriel, and cornice. Needed repair and restoration are extensive, nearly equalling the cost of demolition and new construction.

## **II.D Threats To Historical and Architectural Significance of North First Street**

### **D.1 Summary**

The physical survival of North First Street's historical business buildings is an immediate threat because of existing breaches in individual building envelopes. Survival depends upon achieving and maintaining stabilization while historically sensitive planning measures (at present nonexistent) are given time to be developed and put in place. The support of property owners, other potential private-sector donors, and the city will be needed for both short-range and long-range preservation to occur.

The "sense of time and place," visual continuity, architectural integrity, and chances for future survival of all historical buildings within the intensive-study area are already impaired, as individual evaluations in section II.C.3. suggest. The recommendations section of this chapter will discuss feasible goals for rehabilitation that take existing impairment and its causes into consideration.

Part of the blame for existing conditions must be assigned to the national and local "preservation community" itself, which has been slow to cultivate constituencies and allies among "ordinary people" and especially minority groups. Nor have Illinois preservationists led the way in stressing construction of a broad planning framework as the necessary precondition for long-term preservation success. Additionally the city of Champaign, relative to other communities in Illinois, has been slow to engage in historic-preservation planning for any part of the community. Thus no comprehensive assessment of historic resources has been made, no framework is in place to arrest the physical decline of North First Street, nor is there an agency dedicated to identifying and cultivating relevant investors and nonprofit funding sources.

Finally, responsibility for preservation of their heritage rests with "interest groups" themselves. Here one can include African-Americans, other ethnic groups, those aware of the importance of the railroad and its workers to Champaign's history, and citizens in general



who recognize that the historic built environment is a daily-used amenity and a civilizing force in any community.

Conditions bringing about past and ongoing impairment can be classified as physical, economic, and governmental-physical.

## D.2 Existing Conditions Impairing Significance

### Physical Conditions

- o Previous remodeling and demolition of individual buildings;
- o Present breaches of individual building envelopes;
- o Demolition of all historic buildings between the railroad tracks and North First Street north of University Avenue, and their replacement by a visually unrelated and out-of-scale police compound with extensive, barren open spaces.

### Economic Conditions

- o Property owners' apparent lack of interest in and ability to pay for historically sensitive maintenance and rehabilitation;
- o Marginal viability of some present building uses.

### Governmental-Political Conditions

- o Lack of a comprehensive city or county inventory of historic structures, to National Register standards, that would facilitate evaluation of significance of the buildings and a potential national or local district;
- o Lack of municipal historic-preservation planning measures, including administrative support, pursuit of historic-preservation funding, design guidelines, and enforcement, that could be applied to the area; examples of such measures are a local-district ordinance or an overlay to the Champaign comprehensive plan;
- o Lack of a government-based administrative entity dedicated to the area's interests and sensitive to its historical and architectural implications;
- o Lack of owner and/or community based organizations and administrative capacity for the immediate or larger area.

## **II.E Feasibility of Rehabilitation of the Historical Ensemble**

### E.1 Summary

"Architectural ratings" were established through surveying each building's aesthetic qualities, physical condition, and historical significance. The architectural ratings were used as a tool to characterize the street and to compare the significance of individual buildings to the average for the street. These ratings should be considered together with both the overall





discussions of historical and architectural significance and the "conditions contributing to impairment" of preceding sections in this chapter. On the one hand, the North First Street business area and its adjacent neighborhood stand as unique links to Champaign's African-American past as well as a large component of the city's railroad origin. On the other hand, economic factors, owner and community support, city and private-sector investment, and adequate planning measures will weigh as heavily as factors intrinsic to the historic built environment when it comes time to decide whether historic North First Street "lives or dies."

## E.2 Evaluating Feasibility: Significance Versus Limitations

### Rating Individual Buildings

A recognized tool for preservation planning is the rating system, typically a 3-to-5 point scale evaluating historical, architectural, and physical-engineering factors as well as visual contribution to the area, and combining these into an overall rating. Depending upon objectives of preservation and of the overall plan, individual scales and/or the overall rating are used to establish priorities for order of rehabilitation and the relative financial investment to be made. In the case of North First Street, only those buildings in the 100-200 blocks evaluated by the architectural and engineering firms are rated here, since these are the only buildings likely to be incorporated into a rehabilitation plan (see Figure II.1). Other buildings are either already city-owned and scheduled for demolition or have owners who are apparently unwilling to participate in evaluation at present.

According to our evaluation, North First Street commercial buildings most suitable for rehabilitation based on a combination of their inherent characteristics are 110 and 120, which have high ratings for physical condition as well as architectural and historical significance. Buildings at 112, 114, and 202 have high-to-medium architectural and historical ratings and are important from an urban design perspective, but their physical-condition ratings are low. 208-210 North First is the area's single most significant building historically but has been considerably altered and requires extensive rehabilitation.

### Wider Significance and External Factors in Evaluating Feasibility

The ratings depicted in Figure II.1 and explained in detail in Appendix II.A are only loosely comparable to any larger unit, since no overall survey of the center city has yet been completed. It is important to realize, then, that decisions must be made about preserving not only individual buildings but the North First Street business area as a whole and the larger neighborhood that North First Street and East University border. These decisions involve not only evaluation of individual buildings but evaluation of larger historical and architectural periods based on general accounts and overviews that, in the case of Champaign's center city, have not yet been developed. In general, except where unique structures and "monuments" are involved, the largest unit having historical and architectural cohesiveness is most important to consider. Areas like the North First Street neighborhood derive their



significance from the "sense of time and place" they are able to convey about a group of people who created or contributed to an area over time.

Finally, interested citizens, their governmental representatives, and private-sector investors must make value decisions about preserving historic buildings and districts that serve as unique physical links to the past of a given ethnic group, historic epoch, or architectural period. Given conflicting goals and limited availability of resources, historic preservation like profit-taking is a subjective priority determined by initiative, influence, and negotiation among interest groups. It is not always perceived by interested parties that historic preservation can contribute to, rather than compete with, other goals.

## **FIGURE II.1. SUMMARY TABLE OF BUILDING RATINGS**

(See Appendix II.A for explanation of rating criteria and detailed description of individual building ratings.)

### **SCALE:**

- 1 - No value
- 2 - Little value
- 3 - Moderate value
- 4 - High value

### **SUMMARY OF RATINGS:**

<u>Address</u>	<u>Aesthetics</u>	<u>Physical</u>	<u>Historical</u>	<u>Average</u>
102 E. University	4	4	3.7	3.9
110 N First	3	3.3	4	3.4
112 N First	3.8	N.A.	2.7	N.A.
114 N First	3.6	1.7	2.7	2.6
116 N First	1.2	2.7	2	2.0
120 N First	3.6	4	3.7	3.8
122 N First	1.2	2	1.7	1.6
200/02 N First	2.6	1.3	3.3	2.4
204 N First	3.2	4	3	3.4
206 N First	1.4	N.A.	2.7	N.A.
208/210 N First	1.2	2.3	3.7	2.4



## II.F Guidelines and Goals for Historic Preservation within an Overall Revitalization Strategy

### F.1 General Guidelines for Future Direction

Financial and administrative support for historic preservation is possible at both national and local levels, and through both public and private sources. Depending on the source, criteria for an acceptable project, kind and amount of financial support, and degree of regulation will differ. Historic preservation on North First Street is likely to be based on its significance to the African-American community and its inclusion in preservation measures applied to a larger historic business area extending to the south and east. This is the case partly because both minority-group preservation efforts and large-district efforts have a recent history of relatively strong National Register and private-foundation support. At the same time, potential local constituencies for preservation exist in the African-American community and the nascent East University business owners' group. In financial terms, the most immediate source of support is one or more local banks that are now obligated legally under the Community Reinvestment Act. However, banks must quickly be made aware that preservation funds can be leveraged from bankers' investments. Long-term, given First Street's status as a traffic artery, a major project could potentially be generated using historic-preservation funding mandated by the national ISTEA legislation for road-related projects.

This would allow full restoration of key buildings on North First Street, East University, and possibly within the interior of the neighborhood.

The most serious needs for success of historic preservation planning on North First Street are, in the short run, stabilization of physical condition and in the long run, prompt initiation of a broad-based local planning effort involving public and private sectors. An initial part of planning as defined here is education: Potential supporters must be made aware that 1)the area is uniquely significant and 2)historic preservation can be economically, politically, and socially beneficial. Goals to which historic preservation has demonstrably contributed in other communities include: economic viability, business and job creation, minority entrepreneurship, affordable housing, establishment or strengthening of a political base, and social welfare through pride in one's heritage.

It is beyond the scope of this report to provide a blueprint for preservation planning relevant to the North First Street commercial area. This is so, first, because development of such a plan normally takes six months to a year or more of team effort by professionals and interested citizens and investors. Second, goals and objectives for an overall revitalization strategy have not yet been set by such a team. Aesthetic, use, and engineering objectives for buildings and streetscape; economic, social, political, and cultural goals: these determine the type and level of both investment and regulation to be sought and are not appropriately decided either by a consultant alone, by a bureaucracy alone, or by owners or private investors alone. Rather, goals and objectives are appropriately chosen in dialogue by a representative combination of sectors such as is repeatedly suggested within this report.



Miscellaneous planning actions that have been found to facilitate economically successful, well supported historic preservation planning

- o Identify successful projects for possible use as models.
- o Review zoning, subdivision, and building codes for consistency with market demands and allowance for historic-building conditions.
- o Reduce delays in project reviews to the extent compatible with preservation.
- o Dedicate public funds to infrastructure projects, small grants, and low-interests loans for cosmetic facade improvements that help to improve an area's market attractiveness.
- o Provide public design assistance for small developers.
- o Address site specific issues through methods such as forgiveness of delinquent taxes, downzoning or variances, granting fee waivers, correcting infrastructure problems.
- o Develop neighborhood support through stimulating neighborhood organizations and including them in planning.
- o Create market confidence by making visible public investments: funding demonstration projects with local development corporations and neighborhood interests; providing land price write-downs, below-market financing, tax abatements, loan guarantees.
- o Set up profitability audits and other publically visible types of accountability.

## F.2 Specific Suggestions for Facilitating North First Street Historic Preservation and Making It Part of Revitalization

### Feasible Goals

Given the North First Street resources themselves, feasible short-term goals are:

- o Physical survival of a locally unique historic area;
- o "Sense of time and place," which can be restored to a degree using relatively simple cosmetic methods;
- o "Visual continuity", which can be enhanced through compatible infill.

Given the cost structure of the area and current lack of political support from either local government or owners/ community, the retrieval of architectural integrity is not a feasible short-term goal.

### Suggested Scenario

One possible scenario for a preservation based revitalization is to preserve the buildings in the first block and a half, with new buildings north of that and new building construction where necessary. Buildings that should be retained within this scenario are 110 and 112, which are related to one another aesthetically and structurally. Through 114 is in poor condition, every effort should be made to retain it based on its aesthetic and historical contribution. The building next door, 116, could be removed and replaced with a larger, more marketable building with the vacant lot at 118. Buddie's Bar (120) is in excellent condition structurally





and as a business, and the owner has even considered expanding into the building next door (122). That building could either be retained or removed, possibly using the vacant lots to the north for a larger building.

The second block along First Street has fewer buildings and businesses. Consequently, preservation in this block is not as realistic as in the first block. Important buildings having both strengths and weaknesses are 202, 204, and 208-210. These buildings could become the foundation for a mixed use cluster of buildings in the second block. The corner building, if at all possible, should be restored to its original condition. Such a restoration would put this building on par with the Cattle Bank in the first block and visually establish the area's cultural importance. The large second floor could be residential, possibly used as housing for the owners of the businesses on the ground floor. The barber shop at 204, though not within the period of significance, is in excellent condition as a business and structurally. The building at 208-210 is both historically crucial and structurally lackluster, and may be more suited in use to residences or offices than to businesses.

A less desirable alternative to preservation of any or all of the buildings is retention of the facade as a visual symbol or "icon" representing the area's historic meaning. Such a choice, intended to prevent obliteration of the past where support for rehabilitation is not forthcoming, would only be meaningful if supporting permanent displays of an educational nature were provided on or near the site. These could be incorporated into a business or other building use as well as being available on the street.

New buildings or "infill" near historic buildings, as well as additions and renovation, must adhere to guidelines that allow new and old to harmonize rather than clash visually and to minimize disruption of the "sense of time and place." Suggested guidelines are detailed in Appendix II.B and include uniform street setbacks; uniform scale, or sizes and proportions of building elements such as windows and doors similar to existing; and use of colors and materials in new work that are similar to those of the historic buildings.



### **III: SUPPLY SIDE MARKET ASSESSMENT**

#### **III.A Introduction to Supply-Side Assessment**

The objectives of the Supply Team were to assess the nature of the businesses which are currently supplying goods and services on North First Street and to evaluate the prospects of the area for redevelopment. Interviews were conducted with three groups of informants: proprietors whose businesses are currently located on North First Street, proprietors whose businesses are located elsewhere in Champaign, and economic development and planning professionals who are familiar with the North First Street area. In addition to interviewing professionals in these three areas, the Supply Team studied the size of the market area which may be served by North First Street and compared the goods and services being supplied there to the goods and services being supplied from other areas in Champaign. The results of this study and the interviews were used by the Supply Team to answer the following questions.

**What are the current commercial land uses on North First Street?** The owners of North First Street businesses were interviewed in order to determine what goods and services are supplied in the area, and to determine what impact redevelopment may have on these businesses.

**Is North First Street the best location for the businesses which presently operate there?** In addition to asking the business owners about their reasons for locating their businesses on North First Street, a study was conducted which sought to determine whether markets which are currently being served by North First Street businesses are also being served at other locations. This study reviewed the location of businesses which provide various goods and services and compared the markets that these businesses serve to the markets which are served by North First Street businesses.

North First Street business owners, economic development professionals and other proprietors whose businesses are not located on North First Street were also asked whether the area functions as an African-American commercial district. These respondents were asked questions regarding the extent to which any redevelopment strategy should attempt to achieve an African-American commercial district in the area. Other locations for an African-American commercial district were also explored with these respondents.

**What other businesses or land uses would be viable on North First Street?**

North First Street business owners were asked to assess what goods and services they think their customers want. In addition, other small business owners and economic development professionals were asked to assess the demand for goods and services in the area. All respondents were asked their opinions regarding alternative redevelopment strategies that might be taken on North First Street.



### III.B Existing Businesses

#### B.1 Business Owners Interviewed

Ten businesses are currently located on North First Street. Seven of the ten business owners were interviewed over a two-month period. Those business owners who were not interviewed either declined to participate in the study, or were not available within the time allowed to conduct the interviews.

#### B.2 Methodology

The business owners were asked a series of questions regarding the size and operations of their businesses, such as number of employees, advertising and accounting procedures. They were asked about the history of the business and any trends the business might have been experiencing. The proprietors were asked about their customers, the market served by the business, any problems they might have experienced in running their businesses, and their future plans and expectations. Several questions were asked regarding the North First Street area in general, whether business has been generally increasing or decreasing on North First Street and whether the area functions as an African-American commercial district. Finally, the business owners were asked to assess the products and services which might be in demand on North First Street. Responses to these questions form the basis for conclusions about the characteristics of North First Street businesses and the opinions and expectations of their owners. Figure III.1 Summarized the results of the North First Street Business Owners Survey.

The business owners were also asked questions regarding the profitability of their businesses. Such questions were asked in an effort to assess the financial viability of the businesses and to gauge what impact renovation of the area would have on these establishments.

The proprietors were asked to estimate annual revenues and expenses in order to allow for the assessment of the present financial condition and future financial prospects of the businesses. Such information could also aid in an estimation of what rehabilitation costs and rent per square foot these businesses can afford. What is the size of businesses, how large are its assets, is North First Street the best location for this business, is this business likely to remain at its present location after redevelopment. Can the business obtain loans, if necessary. Can it withstand additional costs, or is it likely to survive in only the lowest cost environment.

The results of financial questions can be used to generally characterize the businesses as profitable or unprofitable. However, this information is based on the proprietor's own assessment of revenues and costs, and is not the result of a professional financial audit. Such secondary sources of information with respect to financial viability can suggest the future potential of these businesses; however, these generalizations are much less useful than if a complete and systematic review of the business records had been conducted. In order to be reliable as a basis on which business decisions can be made, any financial assessment



FIGURE III.1 Results of survey from North First Street business owners (page 1 of 3)

BUSINESS NAME:	Banks Barber Shop	Buddles	Flrst Street Pool Hall	Hambrick's Maintenance Service	Jackson's Restaurant	Lockes of Glory	Lone Star Lodge	Rose and Taylors	Tweets Fashion Shop
ADDRESS	210 N. First	120 N. First	122 N. First	308 N. First	161 N. First	204 N. First	208 N. First	204 N. First	110 N. First
OWNER	Diane Banks	Clarence Davidson	Wardell & Georgia Briggs	Mr. & Mrs. Robert Hambrick	Willy Jackson	Independant Contractors	Membership Organization	Lum Rose & Joe Taylor	Phil Wright
PRODUCT OR SERVICE	Haircare	Lounge/music entertainment	Pool Hall/Bar	Janitorial Services	Food and liquor	Haircare; manicures	Fraternal Lodge	Haircare	Women's retail clothing & accessories -haircare
BUSINESS HISTORY									
Time in operation		13 years		30 years	12-13 years	8 months			7 years
Considering relocation	No	No		No	No	No	Yes		No
Owens or rents	Rents	Owens		Owens	Owens	Rents	Owens		Owens
Sole source of income	Yes	Yes		Yes	Yes	Yes	N.A.		No
Business has been increasing or decreasing in last 5 years:	Increasing	Decreasing		Increasing	Decreasing	Increasing	Constant		Decreasing
More or less customers		Declined		More	Less	More	Constant		Decreasing
More or less sales		Declined		More	Less	More	N.A.		Decreasing
Purchasing more or less supplies		Declined		Constant	Less	More	N.A.		Decreasing
Hiring more or less employees	No	Declined		More	Constant	Constant	N.A.		Constant

CONTINUED...





BUSINESS NAME:	Banks Barber Shop	Buddies	Flrst Street Pool Hall	Hamblick's Maintenance Service	Jackson's Restaurant	Lockes of Glory	Lone Star Lodge	Rose and Taylors	Tweets Fashion Shop
<b>MANAGEMENT SKILLS</b>									
Maintains financial records	Yes	Yes		Yes	Yes	Yes	Yes		Yes
Prepares own books & records	Yes	Declined		No	No	Yes	Yes		Yes
Engages outside accountant	No	Declined		Yes	Yes	No	No		No
Prior business or professional experience		Yes		Yes	Yes	Yes	N.A.		Yes
Desires small business assistance		Yes		No	No		Yes		Yes
<b>BUSINESS OPERATIONS</b>									
Number FTE employees	1	Declined		5-7	3	3	N.A.		2
Hours: days/week	5 days/week	11PM-1AM 6 days/week		8:30AM-5PM office hours, janitorial work after 5PM	11AM-1AM Thurs-Sun 11AM-10PM Tues&Wed		N.A.		
Advertises	Yes	Occasionally		Yes	No	Yes	No		No
Feels advertising efforts have been successful		No		Yes	N.A.	Yes	N.A.		N.A.
<b>BANKING</b>									
Maintains checking &/or savings account	Yes	Yes		Yes	Yes	Yes	Yes		Yes
Applied for loan		No		Yes	Yes	No	No		Yes

CONTINUED...



BUSINESS NAME:	Banks Barber Shop	Buddles	First Street Pool Hall	Hambrick's Maintenance Service	Jackson's Restaurant	Lockes of Glory	Lone Star Lodge	Rose and Taylors	Tweets Fashion Shop
Loan secured		N.A.		Yes	Yes	N.A.	N.A.		Yes
Loan denied		N.A.		No	No	N.A.	N.A.		Yes
CUSTOMERS									
Total customers/week	89-112	Declined		2-4		42-91			
Customers become aware of business via:		Declined							
Word of mouth, referrals	Yes			Yes		Yes			
Advertising	Yes			Yes		Yes			
Living in nearby neighborhoods									
Passing by, seeing business						Yes			
Other						Yes While frequenting other NFS establishments			



would require a thorough review of all financial data, as well as the accounting procedures employed by the business. A full financial audit of each business was beyond the scope and authority of this project. The user of information regarding the present and future profitability of North First Street businesses is strongly cautioned that these are tentative conclusions, and should be used only for general information about the profit potential of the North First Street businesses. Conclusions regarding the impact of rising costs on the businesses must be similarly regarded.

Another limitation of the study results from weaknesses in the implementation of the interviews. A carefully prepared survey instrument was used to conduct the study. Each interview was intended to follow a very specific procedure where each respondent would be asked an open-ended question about a topic to be followed by a series of questions designed to probe for additional information or to clarify responses. All business owners would be asked the same questions. These procedures were not followed to the extent that only seven of the ten business owners were interviewed, all business owners were not able to devote enough time to the interview to allow for all questions to be answered, and some business owners declined to answer certain questions. Therefore, all conclusions regarding the businesses must be described in general terms (i.e., "At least two businesses...") in order to account for the information which was not available.

Appendix III 3 details the responses to all questions asked of each proprietor. See Appendix III 4 for a copy of the survey instrument. The following information summarizes the results of interviews with the seven North First Street business owners.

### B.3 Financial Viability and Business Potential

#### Profitability

At least four of the businesses surveyed are currently operating at a profit. These businesses attract significant numbers of customers and have low enough costs to generate profits which are sufficient to provide the sole source of income to the proprietors.

Three of the businesses do not appear to be profitable at this time. Owners of these businesses suggested various problems that may have influenced the ability of the businesses to achieve or maintain profitability. Such problems include recent restructuring of the business in terms of product or services offered, decreasing emphasis on business operations by the owner due to remodeling efforts, conflicts among the

owners, or attention paid to other business efforts of the proprietor at the expense of the North First Street business.

#### Other Indicators of Business Potential



In addition to whether or not the business is currently profitable, other factors may suggest the potential of a business for future profitability. Recent business trends, in terms of increasing or decreasing sales and numbers of customers, the history of the business, its record-keeping procedures, the proprietor's future expectations for the business and whether the product or service provided by the business appears to meet a need which cannot be satisfied elsewhere, all are among the indicators of future business success.

### Existing Demand for Goods and Services

Those businesses which are currently profitable are generally distinguished from the other North First Street businesses in that they are providing a unique service which has few if any competitors in Champaign-Urbana. Three of the four profitable businesses are those that provide hair care services. Although one of the business owners indicated that her establishment serves both white as well as black patrons, all of these businesses cater primarily to an African-American clientele. Other beauty salons and barber shops in Champaign-Urbana serve African-American customers; however, very few shops in these two cities have a customer base which is over 90% African-American. These businesses appear to be uniquely positioned to capitalize on a significant need, and it is not surprising that one of them has been successfully operating for many years and another achieved profitability almost immediately upon opening.

The survey results also indicate that the existence of an unmet consumer need is not sufficient to determine whether or not the business will be profitable. One business on North First Street provides a service which has competitors in Central Illinois. Business savvy and sound financial management appears to account for the success of this business. Another North First Street business provides a service that was cited by customers and business owners as being in demand; however, this business has not generated a profit for the last several years.

### Business Trends

Several of the businesses which operate on North First Street have experienced increasing numbers of customers and sales. Such businesses include those that have been in operation for many years, as well as more recently initiated businesses. Most of the businesses have maintained a constant level of employees as the number of customers has increased, suggesting that they have not yet reached or have only recently reached full capacity in terms of the amount of service they can provide with the existing level of employees. Two businesses have noticed declining numbers of customers and sales in recent years. All of the businesses which have experienced increasing numbers of customers and sales are also businesses which have utilized advertisement as a method of attracting customers to the business. These businesses have advertised on local radio stations, used flyers or placed ads in promotional booklets, and at least one business placed a television ad. All of these businesses feel that their advertising efforts have been successful. Of the businesses that advertise, only





one proprietor feels that these advertising efforts have not been successful in increasing business.

### Business Hours

The majority of the businesses currently maintain full time hours (i.e., at least 8 hours each day, 5 days per week). The remaining businesses are open part time. Of these businesses, one keeps limited hours while the business owner renovates his property, and another is not currently open full-time because the businesses is undergoing a restructuring.

### Intention to Expand

Several business owners indicated a desire to physically expand their business operations. All of those business owners who own the property out of which their business operates are either currently working on renovating their building or have made plans to do so in the near future. At least three of the business owners said that they need more space for their business.

Other business owners have no desire to expand, either in terms of physical space or number of customers served. Some businesses felt that they have as many customers as they can currently handle, and do not foresee hiring additional employees in the near future. These businesses are typically operating at a profit.

### Reliance on the Business as a Source of Income

Many of the business owners are primarily employed by the businesses located on North First Street, though a couple of the owners hold an additional job. Thus, for many of them, their business on North First Street is their sole source of income.

Whether or not their North First Street business provides the only source of income for the business owner may indicate the present commitment of the proprietor to his or her business, though it may also be indicative of a lack of profitability, which motivates the proprietor to seek out other employment opportunities.

In addition to being asked about the extent to which their business was a means of financial support, the business owners were directly asked to assess their commitment to the business operations. While several of the business owners indicated their long-term aspirations to move into areas entirely different from their current work on North First Street, at least 5 of the business owners see their businesses as going-concerns and indicated that they are fully committed to their long-term operations. No proprietor said that he or she anticipated closing the business in the near future. At least one business owner said that he was hesitating to take more aggressive steps regarding changes in his business and property until the city's plans for the area are known.



## Need for Funding

Several business owners indicated that they have the need for outside funding. All of these business owners own property which they would like to renovate. These businesses maintain checking and /or savings accounts at local banks, and at least two have previously obtained loans. Several of the business owners indicated that they believe that they have faced racial discrimination from banks in Champaign and Urbana when they sought financing. At least one business owner specifically stated that he needed assistance in obtaining a loan.

At least two business owners have secured loans in the past. Information was not gathered regarding present debt of the business owners.

## Prior Professional Experience

All of the business owners have extensive prior experience in their field. Several proprietors were previously employed in a similar capacity prior to establishing their own business. Many indicated that they would take advantage of educational opportunities with respect to running a small business, and at least one business owner has done so already. One business owner felt that he would benefit from guidance in putting together a business plan and approaching banks for loans.

## Recordkeeping

All of the businesses maintained detailed financial records. Two of the businesses engage a certified public accountant or bookkeeper to prepare accounting records; all the others prepare their own financial information. Component records, such as sales receipts, invoices and cost data are maintained by all of the businesses.

Generally, those four businesses which are profitable at this time have business practices which suggest continued profitability. The maintenance of financial records, in some cases by professional accountant or bookkeeper, an extensive history of the existing business or professional experience on the part of the proprietor, the maintenance of regular business hours, and positive trends in sales or numbers of customers are all encouraging signs for these establishments. Further, at least some of these characteristics apply to all of the businesses, regardless of profitability.

## Cost Structure and Operating Environment

While such factors as business trends and recordkeeping may suggest the future potential of the business, the most critical determinant of long-term profitability is clearly the cost structure in which the business operates. The North First Street area provides an extremely low-cost environment for these small businesses. If they are not provided with financial or educational assistance, none of the businesses which currently exist on North First Street are likely to survive in the face of rapidly increasing costs. The limited size of these businesses



would apparently constrain these businesses from the rapid expansion that would be necessary should there be a dramatic increase in the cost of doing business on North First Street. Nonetheless, these businesses appear to be strong enough to sustain more incremental cost

increases, which allow for expansion of the customer base and increasing numbers of employees to serve them.

#### B.4 Customers who Frequent North First Street

The business owners described a racially mixed customer base, but one that is predominately African-American. Women appear to frequent the area as often as men, and the customers live in the Champaign-Urbana community as well as throughout the state. Ages vary from small children to senior citizens.

All methods of transportation, including car, bus, bike and walking, were cited by the business owners in response to how their customers get to the stores on North First Street.

Customers are primarily obtained via word of mouth and advertising.

#### B.5 Size of Businesses

Number of employees

The largest employer on North First Street appears to be a business which has five to seven full time equivalent (FTE) employee. Two to four people are generally employed by the other North First Street businesses.

Number of customers

North First Street businesses tend to attract from two to 160 customers per establishment each week. The volume of business varies due to the nature of the service provided, for example, the janitorial business has fewer customers than the hair care shops.

#### B.6 Importance of Current Location

The business owners prefer the present location of their business because of the low cost to rent or own property on North First Street. They also cited easy access from the interstate, close location to their customers who live north of University Avenue and proximity to the Champaign police department as reasons for locating their business in the area.

These businesses have been in operation on North First Street from 8 months to 30 years. Many said that their customers live in the Champaign-Urbana community, as well as throughout Central Illinois. At least one business attracts customers from the entire Central Illinois region and Indiana. Thus, the North First Street location is favored by many of the



proprietors because their customers are familiar with the location and because their businesses have been operating here for some time.

One business is considering relocating away from North First Street; all other businesses like the location and did not indicate any intentions to move. One business owner was approached by a developer of a proposed strip mall which will be located nearby, but she declined to relocate at this time. This business owner chose to locate her business on North First Street because she was previously employed by a business located on South First Street and wished to remain accessible and visible to her customers.

#### B.7 Advantages and Disadvantages of North First Street

The proprietors of North First Street were asked about the assets of North First Street, what they liked about the area and wished to see remain in the area. All business owners said that the low cost environment was most attractive aspect of doing business in the area. The high traffic volume on First Street, close proximity to East University Avenue businesses and the University campus, a historical flavor to the area and its rich African-American history were also cited as advantages of North First Street.

Disadvantages of the area include poor maintenance of surrounding properties, streets and sidewalks, and a perception that the area is crime-ridden. Several business owners identified one specific business located on North First Street as being a "trouble spot", though no other businesses were described as attracting problems. One business owner mentioned that he believed a problem with the area is that several of the proprietors have not been "taking care of business" in terms of devoting time and attention to their businesses and property. Another disadvantage of North First Street which was cited by a proprietor is the lack of incentive for traffic on First Street to stop at the area businesses.

#### B.8 North First Street as an African-American Commercial District

The feelings of the business owners regarding the importance of North First Street as an African-American commercial district was mixed. Though all of the owners acknowledged the need for business ownership among Blacks as being important to feelings of pride and self-worth, almost half of the business owners believed that the North First Street area need not serve only a Black clientele nor should businesses located there be only owned by Black business people. Several businesses indicated that they serve a racially varied customer base. At least one business owner strongly felt that the area should not solely serve African-Americans.

The other half of the business owners indicated that they believe the North First Street area should be developed primarily as an African-American commercial district. Many pointed to feelings of pride and need for special goods and services as the main reason for such an area, though no one indicated that the district should not also attempt to attract customers who are not Black.







With respect to the location of an African-American commercial district, several business owners feel that North First Street currently serves this function and should continue to be located there. At least one business owner feels that the Champaign community could support more than one African-American commercial district. This comment was made based on the fact that a commercial strip is planned for Bradley Avenue and Market Street. Businesses located in this commercial area may primarily be Black-owned and may cater largely to African-American customers. This business owner feels that this new commercial establishment is a positive development in Champaign and more such African-American commercial areas should be created.

#### B.9 Problems Experienced in Operating Businesses

North First Street business owners were asked if they faced any obstacles in running their businesses. Such problems might include attracting customers to the business, purchasing supplies, obtaining a loan, maintenance or repairs of the building, problems with city services such as the police department, achieving or maintaining profitability, problems with theft, hiring or keeping employees, etc. At least two of the business owners indicated that they have experienced no problems in the operation of their business. The other business owners said that they have experienced some problems of varying degrees of significance.

#### Relationship to the City and to the Planning Process

The most important difficulty faced by the business owners seemed to be with respect to the relationship of the North First Street businesses and residents to the city of Champaign. Many business owners felt that the city has neglected the area, that routine infrastructure improvements have not been made, such as expanded sewer capacity, or have been much delayed, such as sidewalk repairs. These business owners said that the lack of commitment shown by the city to this area has been a major obstacle. One owner cited as an example that recently a proposal was made to develop an area in downtown Champaign, and the city immediately backed the endeavor. These business owners have felt no similar sense of support.

The business people feel that typical of their experiences with the city is the fact that the city has not sought to engage their participation in this project in a meaningful way. The focus group was characterized as hand-picked by the city, business owners were not informed of the meetings, and most importantly, the class is working solely for the city's benefit; rather than for the benefit of the entire community. The business owners feel that the city has an agenda to fill and that the work of the students will be used by the city to support that agenda. That is, the feeling is that the city has already determined what action will be taken in the North First Street area, and it is simply a rote exercise to involve planning students. The involvement of the students gives the appearance of citizen involvement with out actually threatening to change the city's plans. Several business owners said that they found it insulting to be surveyed by students, and to take part in a study which will clearly gather only superficial and essentially meaningless data. Two business owners refused to answer



questions regarding their customers, and financial aspects of their business on the grounds that such information would be used against them by the city.

#### Relationship to the Champaign Police Station

Several business owners said that they feel that despite the close location of the police station, the police have neglected the area. Two business owners felt that greater involvement of the police would reduce the amount of crime in the area. Among these two businesses there is a feeling that the NFS neighborhood is clearly neglected by the police. Specifically, these business owners said that they found the police slow to respond to calls for assistance when altercations erupted among customers on the street in front of the entertainment oriented establishments. One business owner felt that there is a racial bias at work here; that is, this business owner said that the feeling among the police is that its just black people fighting or beating each other up, so there's less time and attention given to the matter.

#### Relationship to Central Illinois Banks

Another problem cited by at least two business owners was discrimination on the part of lending institutions. These business owners feel that they have faced greater barriers than their white counterparts, or those business owners who are located elsewhere.

#### Other Problems

The proprietors cited an inability to afford maintenance and repairs of property, and the negative image of the area as problems they have experienced in operating their businesses on North First Street. With no exceptions the business owners indicated that the image of the North First Street area deters customers. Some owners mentioned that they believe customers perceive the area as crime-ridden. Poor maintenance, unattractive building facades, and the generally deteriorated condition of the entire area were all cited as contributing to the undesirable image of North First Street.

Two of the business owners said that they would like more parking. One business owner experienced problem with hiring and keeping trustworthy employees.

#### B.10 Assessment of Demand

North First Street business owners mentioned many different businesses that may be successful in the area. All of the business owners said that a full service restaurant of an ethnic character, such as soul food, is in demand. Other food service establishments include a sandwich shop and ice cream parlor. One business owner feels that entertainment establishments are in demand, such as lounges or bars. Most of the business owners focused on services, rather than retail shops as the primary demand in the area. Such services include a drug store, a full service beauty salon which offers facials and exercise facilities, a newspaper stand, convenience store, dollar store, dry cleaners, copy shop and children's



recreation area. One business owner felt that the area could be developed to include two-story structure which would be leased to businesses on the first floors and house senior citizens on the 2nd floors.

### **III.C Potential Businesses**

#### **C.1 Business Owners Interviewed**

Interviews were conducted with four African-American small business owners whose businesses are not currently located on North First Street. These proprietors were interviewed in order to assess the advantages and disadvantages of the area from the perspective of a small business owner as well as the reasons why a proprietor might or might not chose to locate a business on North First Street. Two of the proprietors either considered establishing their business on North First Street or would consider doing so if certain improvements were made to the area. The other two proprietors never considered and do not anticipate that they will consider relocating their businesses.

William Smith operates Hair Smith, a beauty salon in the Robeson Building located in downtown Champaign. He said he considered locating his business at 204 N. First but " it did not work out." His business caters to the African-American clientele.

Cora Morris, owner of Greek Grandeur on Columbia Avenue in Champaign, has an interest in moving her business to North First Street only if it is redeveloped into a "safer place to visit." Greek Grandeur supplies goods for University of Illinois fraternities and sororities, and has customers of every race and economic background.

Eugene Suggs, owner of Gene Suggs Photography on Roberts Street in Champaign, has no interest in moving his business to North First Street. He currently works out of his home and the majority of his work is done on location (i.e. at weddings, birthdays, and anniversary parties). Suggs seeks a varied clientele which includes all racial and ethnic groups.

O'Dell Warren is the son and new partner of Jim Warren, the original founder of Southern Cooking Catering, located in Champaign. The business caters meals for 600 day care children per day, for the Radisson Hotel, various fraternities, some corporate accounts, and weddings. The Warren's also have a Decatur location. He has never thought of relocating since he is satisfied with his present location.

#### **C.2 Financial Viability Depends on an Anchor**

The proprietors indicated that the North First Street area needs a well-known commercial establishment, such as a fast food or convenience store franchise, which can act as an anchor to facilitate recognition of the area as a place to shop and to attract larger numbers of customers. The proprietors felt that, other than the beauty salon and barber shops, the area





lacks businesses which attract customers in numbers sufficient to sustain a viable commercial district.

### C.3 Redevelopment Scenarios

The business owners indicated the area is only salvageable through major private and public sector investment. The respondents feel that any redevelopment strategy must consider the existing commercial uses and whether or not they are viable, as well as the impact of redevelopment on the surrounding residential neighborhood. The respondents feel that the barber shops and hair salon are the only viable businesses on North First Street.

One respondent cautioned that any redevelopment efforts should not uproot any occupants of the residential neighborhood adjacent to the North First Street commercial area. The majority of these residents are elderly widows with fixed incomes who could not afford to buy a new home or rent a suitable apartment should they be relocated.

One respondent feels the area should be rezoned as single-family residential. This proprietor believes that stereotypes on the part of consumers and lending institutions about African-American commercial districts make the success of such an area unlikely. These stereotypes include the belief that African-American businesses are poorly maintained and operated, are marginal, and are located in unsafe areas. For these reasons, businesses which locate in commercial districts which primarily serve African-Americans or which are primarily owned by African-Americans are at a great disadvantage. Instead, this proprietor suggested that affordable housing should be located in the North First Street area.

While another business owner did not indicate any specific ideas for redevelopment, this business owner said that the North First Street area needs major investment by the private sector, instead of the city. According to this proprietor, private investors need to take the initiative for redevelopment, because the city has neglected the area, is slow to take action, and may not redevelop it in the best interests of the business owners and residents.

Two respondents feel that all existing structures should be completely demolished and new buildings constructed in their place. These proprietors believe that North First Street should remain a commercial area with restaurants, clothing stores, day care facilities, and an education center.

### C.4 The Area's Assets - Convenient Parking & High Visibility

Respondents said that the advantages of North First Street include its location on a highly traveled corridor, and adequate parking. Another asset mentioned by some of the respondents is the current position of the area to serve the African-American community. These respondents also indicated that North First Street could be more successful in this regard, by expanding the area to include more businesses which attract a higher volume of customers and which are operated from well-maintained buildings.





### C.5 The Area's Liabilities - Crime & Aesthetics

All of the business owners feel that North First Street is a high crime area, despite the close location of the police station. All but one of the respondents said that bars are detrimental to the character and safety of a commercial area and should be eliminated.

The business owners also feel that most of the buildings seem to be structurally unsafe and are physically unattractive. As a result, the area is not inviting to the consumer. One proprietor commented that because most of the buildings on the street appear to be abandoned, he was not aware that any other businesses were located there, aside from a barber shop.

### C.6 North First Street as an African-American Commercial Area

Two of the respondents feel that a commercial district which serves only African-Americans or whose businesses are solely owned by African-Americans would be segregating and disadvantageous to the business owners. These proprietors said that the stereotypical African-American business is a "Mom and Pop" establishment operated from a dilapidated building. Such stereotypes typically result in higher rents charged by landlords because they fear the clientele such businesses attract and because they believe that African-Americans do not maintain their property. In order to avoid such stigmas, these respondents feel that North First Street should not be redeveloped as an African- American commercial district.

The other two respondents said that there should be stores catering to the needs of the African-American community, but these businesses should not be located in an area which is separate from businesses which serve the needs of a more diverse clientele. These business owners emphasized that proprietors of all races and ethnic background should be able to locate their business in any commercially zoned area, and similarly, businesses which cater to all varieties of customers should be able to freely locate.

North First Street is the best location for an African-American commercial area, according to one respondent. This respondent felt that the area could also be expanded 2 to 3 blocks east of First Street.

## **III.D Other Professionals and Key Informants**

### D.1 Introduction

Two surveys generated the data analyzed here, and provided twelve interviews in total. The main thrust of this pair of surveys was to find out what economic development experts and other individuals knowledgeable about the area of concern thought about the status and future of the businesses on North First Street. From a supply perspective, the most interesting information related to opinions about the current goods and services being supplied there, the



prospects of the businesses, and what might conceivably happen in the future given different conditions in the area.

The important elements of our analysis of North First Street are as follows. At the beginning and end of each interview, the overall impression respondents had about the area was assessed. The current status and characteristics of the area's market share was also explored. Also, respondents were asked about what businesses might expect from the area, including what might do well there, and what it would take to get redevelopment in the area. The roles that the city and local banks might be expected to play (and what roles they and others SHOULD play) were considered. A set of scenarios was provided for respondents to assess. Finally, their responses to the specific ideas of an African-American commercial area and a business incubator were explored. (See Appendix III.C for full survey instruments.)

## D.2 Interviews

Realtors, bank executives, city officials, planners and economic development professionals were selected for interviews based on knowledge of the community (see Methods, below).

- o John Barr, owner Barr Real Estate.  
-suggested by Fred Enderle to interview.
- o Tom Harrington, commercial development Devonshire Realty.  
-recommended by John Barr and Fred Enderle.
- o Rhonda Hall and Dick Percival, community development affairs, First of America Bank.  
-Ms. Hall offered herself for interviews following the first focus group meeting.
- o Larry Kallembach (Sr. Vice President and Cashier) and Steve Vandenberg (Vice President, Commercial Banking), Champaign National Bank.  
-recommended by John Barr and Rhonda Hall.
- o Vern Barkstall (President), Champaign County Urban League.  
-recommended by John Barr.
- o Fred Enderle (Assistant City Manager, Special Projects) and Craig Rost (Assistant City Manager, Economic Development), City of Champaign.
- o John Dimit (Community Development Director), Champaign County Regional Planning Commission.  
-recommended by John Lee Johnson.
- o John Lee Johnson (President), Health Care Consumers.  
-offered himself for interviews at first focus group meeting.



- o Joseph Lee (Facilitator), Focus Group  
-doctoral planning student who convenes focus group.
- o Dannel McCollum (Mayor), City of Champaign.  
-recommended by Fred Enderle.
- o Barbara Peckham (owner), Barbara Peckham and Associates antique gallery.  
-business owner on University Avenue near First Street.
- o Karen Stonehouse (Planner II), City of Champaign.  
-recommended by Mayor McCollum.

### D.3 Methodology

Respondents were selected based on their roles in the community. The chief sources that were used to find the appropriate people were the instructors of the class, our liaison at the City of Champaign, and the recommendation of other knowledgeable persons from each interviewee until closure was achieved. After establishing contact with a respondent, conveying minimal information about the project, their consent to an interview was secured. There were no refusals. Then, upon beginning the interview, a short introductory speech was given which laid out the most basic framework of the survey. No opinions held by the interviewers were conveyed to the respondents, in order to avoid biasing the respondents' answers. The questionnaire is attached as Appendix IIIA.

### D.4 Positive and Negative Aspects of North First Street

Most of those interviewed have negative first responses about North First Street in its current condition. They describe it as blighted, rundown or visually unappealing, or as having a lot of crime. However, they also characterize it as having potential which it hasn't yet taken advantage of, or as being "part of a market that we want to penetrate". Lack of coordination among the property and business owners was cited as the primary reason the area has not been more successful.

The inability of the respondents to identify some or all of the businesses which are located on North First street suggests that there is not enough awareness on the part of the larger Champaign community to the goods and services that are available in this area. While some respondents were able to name specific businesses, many of them were unfamiliar with the North First Street businesses.

### D.5 Overall Market Share Is Negligible, but Share of the African-American Market May Be Considerable

Most respondents agree that the market share of the whole Champaign-Urbana community held by this area is negligible.



However, North First Street is perceived as catering to African-Americans and the surrounding residential area in particular (though respondents did acknowledge that some businesses have a more diverse clientele). According to the respondents, North First Street serves a high percentage of the African-American market. For example, one respondent speculated that the market share for haircuts for African-Americans held by North First Street is 80%. Of African-Americans who go out regularly, 20% go to North First Street, according to this respondent. Most of the respondents were unwilling or unable to offer similar estimates of market share served by North First Street businesses.

#### D.6 Assessment of Demand

##### Restaurants, Personal Services And Live Music Would Probably Do Well

A number of respondents suggested a jazz club, a restaurant (perhaps soul food), a drycleaner, and other personal and convenience services such as a small grocery store. Less frequent answers also mentioned included businesses related to law enforcement, professional offices (such as a dentist), an ethnic foods store, a gift shop, and a clothing store.

##### Stores Need To Be Unique and Need A Good Environment

Respondents indicated that with the right conditions, many different businesses could succeed on North First Street. They also feel that any store which has something unique to offer will have a better chance of success. A wide variety of commercial establishments could do well on North First Street, one respondent said, as long as it was well planned and equipped with suitable support facilities, including parking, outdoor land uses, and good access. The characteristics and the success of existing businesses will be vital as well. For example, the expansion of the Boys and Girls Club will promote the success of other North First Street businesses.

The area needs to begin catering to the entire Champaign-Urbana area. The area would also benefit from any assistance from the City and any development near the area, such as the new transit station. Improved visual aesthetics, publicity to improve perceptions and disseminate information about the stores would also help to revitalize the area.

##### Link Up With The East University Businesses

Another strategy which would help North First Street businesses is to organize with the businesses on East University. The East University businesses are building quite a reputation with the respondents, and have their support. The respondents feel that North First Street businesses should exploit and strengthen their links to East University businesses does not have links to this area are not strong, respondents feel, and should be strengthened and exploited. In general, however, the respondents feel that Central Champaign is being eclipsed by development in the north and west parts of town. This trend may pose problems for North





First Street, though development from Urbana may make up for it as it pressures further development along University Avenue.

### Exploit Unique Specialty Services

This area is already important to Champaign-Urbana because it fulfills a need not met anywhere else - the need for dance clubs and African-American nightlife. Capitalizing on this kind of service will help businesses. For instance, creating or attracting new businesses which contribute to a unique flavor on North First Street will help all businesses there. Also, any business which has a function that is unique in the area will attract customers.

In relation to this subject, one respondent also pointed out that while some goods are provided by African-Americans to African-Americans, there is also a large market of goods and services provided to them by whites. As such, while African-Americans might find such goods and services appealing as a type of business to start, it is a very difficult thing to break into because it has been institutionalized as something supplied by whites. He cited several professional fields as examples, like health care, dentistry, and law.

### What Would It Take To Increase Economic Activity There?

#### Improve City's Commitment To Infrastructure

Generally, respondents seem to feel that if certain problems on North First Street were eliminated, economic activity might pick up on its own. Some of these include improving infrastructure, improving appearances, improving perceptions of safety, and increasing parking. In addition, some respondents feel that there are definite non-physical elements lacking. Finally, roles of community players are seen as very important. These various viewpoints are discussed below. There are also two respondents who are fairly sure that nothing would create increased economic activity in the area.

#### Physical Improvements Will Help On Their Own

Most respondents were quick to say that if anything is to happen in the area, it must be cleaned up and the infrastructure must be improved. Some seemed to feel that any signs of effort in the area would help, no matter how small. A program to improve just the facades, for example, might have so much effect in terms of perceptions that things would start to change on their own.

There were other specific physical improvements which were mentioned. Increased parking was also cited as something which would help the area. Filling the vacant lots would also help.

Rehabilitation of the buildings was not overwhelmingly supported. Some respondents felt it would be nice, but few seemed to think it essential. Redevelopment was favored by several



respondents instead of rehabilitation. One reason cited was that rehabilitation might not provide the owners with as much of a return as redevelopment.

### People Must Have A Plan

Besides just physical changes, there are other things needed. A number of respondents said that the chief obstacle in the way of increased economic activity was that no one has a plan for the area. The business people do not have specific plans for their businesses; the City does not seem to have clear direction for the area; and those who would move into the area have not shown signs of definite courses of action either. Firm plans are essential if development or redevelopment is to occur. Without them, people have no credibility with the City, the banks, or anyone else. No investment should be made without a plan.

Any plan for the area must also be based on previous examples. While this area is unique in some ways, and may not prove to have exact precedents, links must be established to successful undertakings of this nature in order to show that it can be done.

### Perceptions Must Be Improved, And A New Focus Is Needed Including Better Links To Other Areas

Perceptions of the area are poor and this must be changed in order for the area to increase economic activity. One particular example is the perception that there is high crime in the area. The area must be promoted and marketed.

The area needs a community focus and a wider clientele, as described in previous sections. Unique functions will also help; businesses providing a unique good or service will increase economic activity in the area. Links to nearby areas are minimal, but they are necessary to success.

### The City And The Banks Must Help - And They Are Willing

Several respondents said that they felt nothing would happen on North First Street without the support of the City and local banks, such as development incentives and small business loans. The TIF district could also be extended to include North First Street. While the specific roles of the banks and the City are discussed below, it is sufficient to say that there was a consensus that their support would help, and a smaller proportion who feel that their support is essential. But, of course, the private sector must be involved as well.

A particular reason cited for public support is that there may be costs to property owners which will be hidden until rehabilitation begins. For example, one respondent pointed out that internal systems (eg, wiring and plumbing) may need total replacement, but it is hard to tell until the inside walls are taken down.



However, most respondents involved with these institutions seemed to feel that help was available; the banks in particular were anxious, in fact, to help. Other respondents said that there are many businesses which would like to locate in downtown. The market is there for retail space downtown, and linking North First Street with downtown in people's minds might well cause the space there to fill quickly. Linking with East University Avenue in a similar manner will also help, as will any improvements in these adjacent areas.

If these institutions are involved, one respondent pointed out that they will also have to assess more fully what is being supplied by this area and what might be supplied. A caveat supplied by another respondent is that it is very difficult to get hard facts from these businesses. No one told them to keep books. Does that mean they should be disregarded? The criteria used for assessing the capabilities of these businesses must be evaluated very carefully. Real solutions may not emerge from a traditional framework.

#### D.7 The Players And Prime Resources

##### The City Role And The Role Of Area Banks: Both Are Vital

Respondents were given scenarios to consider, which described different sets of players and strategies, and were also asked specifically about the roles of the City and the banks -what they are likely to be, and what they should be.

Essentially, the status of the respondent determined the answer to this question. Those from the banks feel the banks will take the lead and will supply needed capital when it is demanded and when the area is ready. Those from the City seem to feel that the City will have to take the lead. In other words, the City felt that they would end up purchasing property and going from there - either selling it, or developing it; or, that they might end up with a Community Development Corporation. The banks felt they would take the lead by either pooling the risk, or assisting through CRA incentives. In every case, respondents stressed that their organization wanted to be involved.

Those not affiliated with either party felt that both were important. All respondents felt that there needs to be and will be involvement on behalf of both - the City and the banks will be depending on each other, and their actions will have to interlock. The role of the business and property owners was also cited as being most key by some respondents.

##### Key Specific Funds Must Be Identified

Specific actions include the increased use of UDAG money by the City, the revolving loan fund, TIF funds, and guarantees or partial risk reduction of bank loans by the City. Bank strategies might include direct loans, SBA loans, or Department of Commerce and Community Affairs (State of Illinois) loans.



## Business Management Training Support Is Vital

Also, training is needed, probably on the part of the City. This is largely because the businesses which are there may not be able to produce a bottom line or a pro forma which would, on its own, appeal to a bank enough to get them to act. However, if the City were to accept a business plan or similar document, the banks might then become interested.

## Long Term Commitment Is Needed

A long term commitment is also needed; in other words, a situation must be created where the foreseeable future of the risks is no more extensive than the foreseeable future of the support.

The sanitary district will also be involved in the future of this area, as the creek will be undergoing major changes in connection with any redevelopment.

## D.8 A Specific Area Focus: Two Options

### An African-American Commercial Area Is Not Overwhelmingly Supported

Most respondents did not feel that North First Street should remain as an area which caters mainly to African-Americans. In general, many thought it was a good idea, but questioned whether North First Street was the right place. To have real economic potential, North First Street probably needs a wider audience, as there is not a large enough African-American population in this community to support it. The area should look elsewhere for other sources even, perhaps, other ethnically distinct populations. This kind of approach is what is going to generate business, interest, and activity.

However, according to respondents, African-American entrepreneurship must be supported in this community much more than it has been. This would include training and the support of existing business owners.

One respondent stressed that if the area were to remain as an African-American commercial area, it must have the right resources - for example UDAG financing - and responsible people in charge of the businesses. Also, there is a large role for preservation in this case. It will be more difficult for the area to survive if it continues to keep that focus, but on the other hand, it will keep its unique character.

### A City-Supported Incubator Is Needed In Revitalization, But Not Right For North First Street

While many respondents like the idea of an incubator, few of them feel it would be effective on North First Street. Several of them think that Champaign-Urbana could use such a facility, pointing out that there is little or no support for entrepreneurship in this community.





It was pointed out, however, that other areas might be more suitable, such as Church Street Square near downtown.

The advantages of using North First Street as an incubator are that it too is pretty near downtown, public land is available there, and it is a good way of attracting businesses which will have to be done if the area is to succeed. And, the area is "charming" according to one respondent, and as such is an appealing place to have an incubator.

There are also some respondents who don't like the idea in general, as it is costly to implement and not always effective. Also, an incubator presumes that the businesses involved would only take a short period of time to take off. The businesses that would probably be involved, on the other hand, would take a very long period of time to become stable. Other respondents said that business incubation works better when the businesses are spread out all over the city.

#### D.9 Final Assessment

##### The Area Has A Wide Variety Of Real Assets

Respondents were effusive in their characterization of the assets of North First Street. It is unique in the community; it is a cohesive African-American commercial area; and it has potential for minority businesses of all kinds. Many respondents feel it was safer than the public perception seems to be. The successful existing businesses also represent an asset, providing a comfortable living for their owners and providing African-Americans with a specific place to go. One respondent specifically mentioned the barbershops as a great asset. Another positive aspect is the existence of other facilities such as the National Guard Armory and the Boys and Girls Club.

Physically, North First Street experiences a large quantity of traffic and is close to several thriving business centers (including downtown), as well as a large residential area. Some of its historical structures, particularly those which are sound, are another asset. Much of the building stock, including the houses, has a lot of potential.

Politically, the area enjoys a high level of city interest and even investment (in terms of the police station and the park, and a high level of interest from the Urbana-Champaign Sanitary District because of the redevelopment of the Boneyard. The police station itself could be seen as an asset, according to one respondent. If the police station allowed more activity to go on outside - for example, if officers simply sat in their cars when they did their end-of-beat paperwork - it would make a definite difference to the atmosphere. He did not seem to be getting at threatening people, but rather he said that an increased presence might discourage the perception that it isn't safe, and might actually make it safer; and, that it would give the area more activity.



One respondent pointed out that part of the success of the area was due to institutionalized racism, since it does create a certain amount of segregation in the marketplace. As long as white barbers don't know how to cut African-Americans' hair, there will be African-American barbers who do, and they will serve a unique and economically attractive function. This is an asset the area enjoys at least at present.

### **The Main Deficits Are Poor Perceptions And Physical Conditions**

North First Street is perceived as an area of high crime and has a strong social stigma attached to it for many Champaign-Urbana residents. Street people in the area intimidate customers and safety overall is a concern of many respondents. The whole North End of Champaign is under an inaccurate impression held by most residents of Champaign-Urbana. The area suffers because of this problem.

The structures on North First Street which are unsound are also seen as a deficit of the area. Even those in good condition do not look good, for the most part, and this gives a bad impression. Those businesses owners who do not place high value on the upkeep of their property, or who are unable to keep it up, represent a deficit for those who do. There needs to be a coordinated effort, with the help of the City, to improve appearances. Coordination of efforts in general is bad and this represents a deficit in itself.

Parking is perceived as inadequate, which is a serious problem according to some respondents. Signage to and in the area is also poor, and there are problems with infrastructure. The streetscape has not been developed at all.

There are political deficits as well, in that the City has historically ignored the area, which contributes to its current state (despite the City's current interest). The lack of public investment in the area is a deficit, partially responsible for lack of private investment and high vacancy rate. The traffic also can be seen as a deficit, in that it is heavy and discourages stopping, particularly with the street layout which exists.

### **III.E Linking Demand With Supply**

There are real demand/supply constraints and opportunities for North First Street that need to be linked and combined. This section attempts to do this.

#### **E.1 Supply Size Constraint--Limited to a "Neighborhood Shopping Center"**

Commercial zoning in Champaign and in most cities is divided into four sizes. Beginning with the smallest these are: 1) scattered spot zoned corners of residential streets, 2) "neighborhood centers" -- 5-20 shops at intersection of collector streets or secondary roads, 3) "community center" -- 15-40 shops at intersections of major road ways or expressways, 4) "regional centers" - 40-80 shops at intersections of expressways or freeways.



Based on this breakdown, the North First Street area as it now exists is at the smallest end of the "neighborhood center" size commercial development with about 8-10 businesses. Even at its maximum redevelopment potential, the area could accommodate only about 15-20 shops. This could only be achieved by in-fill on vacant lots on the east side of North First, and introducing new shops in the first two blocks on the west side of the street north of the police station. No new commercial area is anticipated in any redevelopment north of Church street because: 1) this is in the Boneyard creek flood plane and 2) if the parking area on the west side of North First becomes shops more parking will be needed north of the commercial area on the east side of First Street.

The one potential variant to the above argument is that North First street is not physically zoned as an isolated commercial business area, but is contiguous with the commercial area along east University Avenue and south First Street. Furthermore, First street gets more traffic than typically runs past a neighborhood center since First Street links to Market Street as a major north-south feeder street at the heart of the city. Nevertheless, the physically developable land on North First keep it within the "neighborhood center" size range. Furthermore, despite the through traffic volume, North First Street would not attract the types of shops that might appear in a "community" or "regional" center. This is because the contiguous street of University with four times the traffic volume would be where such business would locate, or in the downtown which begins just one block west.

There is also a major deterrent from even calling North First Street eligible at maximum redevelopment as a "neighborhood center." Neighborhood centers should have a residential feeder area of a minimum of 4,000 person living within a half mile radius. Because the downtown commercial and business area take up a good portion of this half-mile radius, there are not 4,000 persons living within the remaining half-mile radius. Furthermore, many of the residents within the half mile radius are students living south of University. Despite their proximity, these students tend to orientate their shopping to "campus town" along Green Street.

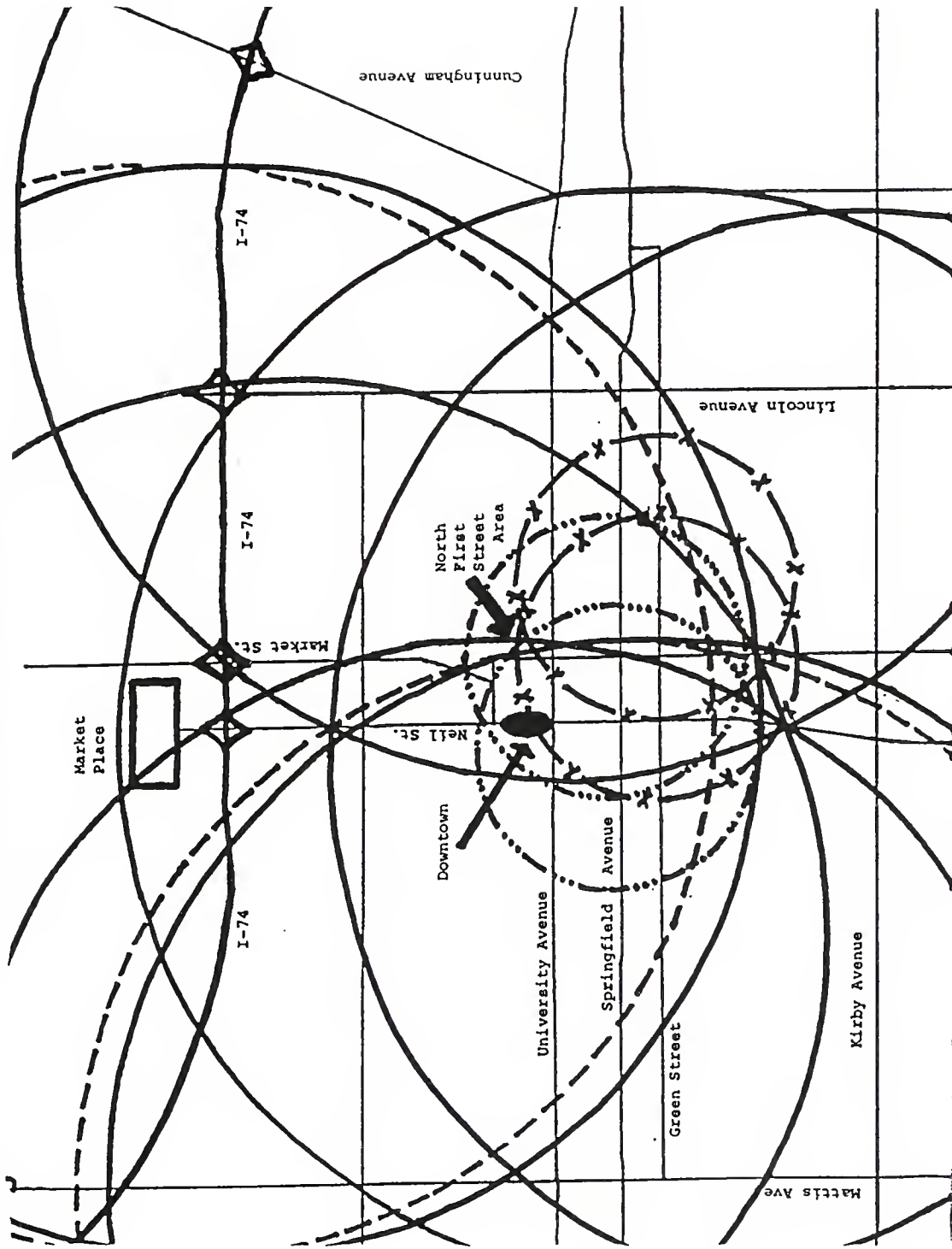
## E.2 Demand for Shops from Surrounding Residents -- Currently Being Met

In the section of this report that determined demand for commercial facilities by residents of the surrounding area, there were six types of businesses in addition to what already exists that accounted for most of the demand. Assuming the survey was random and representative of the persons living in the half mile radius served by a "neighborhood center," the highest demand was for: 1) a small scale grocery store, 2) restaurants--sit down dining of all types, 3) convenience store, 4) soul food restaurant, 5) drug store and 6) super market.

Figure III.2, shows a map, with North First Street located approximately in the center. The existing supply of four of these six most highly demanded businesses are shown, using a realistic market area for each. Supermarkets and drug stores have a radius of two miles, while convenience and small grocery stores have radii of one-half mile. There is one soul food restaurant, and over ten seated restaurants in the area, which are not indicated in the Figure III.2 because ten additional rings on this map would render it unreadable. It should also be noted that



FIGURE III.2 TRADE AREAS FOR DEMANDED BUSINESSES



KEY

- supermarket
- small grocery store
- convenience store







the continuance of Jackson's Restaurant, the only restaurant in the study area, is currently in jeopardy due to the recent death of one of its owners.

As shown in Figure III.2, despite the stated demand for these six businesses, the North First Street area is already covered by all of these services, so any new business would have to consider very carefully whether there is a sufficient market to locate on North First Street. Specifically, there are seven supermarkets that service the area. Three drug stores service the area, although one, which is located on Green and Randolph, is not indicated in Figure III.2 because it is directly overlapped by a supermarket in the same location. Two convenience stores and two small grocery stores also service the area. There is one soul food restaurant approximately one-fifth of a mile from the North First Street Area, located on Columbia and Market Streets. While there are also more than ten seated restaurants within a one-half mile radius of the North First Street Area, the North First Street site could attract specialty eating establishments like soul food restaurants given the undersupply in the city and the traffic on North First.

### E.3 Demand for Shops from Students, Customers of Other Businesses in the Area

In the section of this report that determined demand for commercial facilities by students from the University of Illinois and customers of other businesses in the area, the results found were similar to the businesses demanded in the survey of surrounding residents. Even though the types of businesses that were demanded in the surveys conducted appear to be adequately supplied in the area, other types of businesses may fare well on North First Street. The supply team interviews conducted with economic development experts and existing business owners on North First Street suggest that the area is most attractive to all types of specialty shops that require minimum stock and overhead to get started, and that can grow as the commercial area grows and improves. Examples of possible businesses would include specialty dining, entertainment, specialty clothing (particularly second-hand clothing, for which there is a potential demand from the student population), and family and personal services and shops.

The results of the demand surveys from these groups were very similar to the block group survey. One other type of business that was often mentioned by these two groups was a clothing store. There are currently many clothing stores in the area, especially at Marketplace Mall. However, the specific type of clothing stores demanded were not mentioned. For example, in one of the business owner surveys conducted by the supply team, an athletic clothing store was suggested as a business that could be successful on North First Street. Therefore, further research is recommended as to what specific types of clothing stores are in demand, and whether they are currently being supplied in the area.



## IV. DEMAND SIDE MARKET ANALYSIS

### IV.A Local Resident and Customer Surveys

#### A.1 General Purpose

In order to successfully estimate the current market demand for commercial services along North First Street, these surveys were administered both to local residents and to current North First Street customers. They were designed to determine which businesses people currently use, how often they use them, and who these users are demographically. Respondents were also asked what their general impressions of and feelings about the area are, and what they would like to see in the area in the future. Analysis of these surveys was conducted using the computer program "Statistical Package for the Social Sciences (SPSS)" in order to give accurate evaluations of all data collected. Frequency counts on all questions as well as cross tabulation by key direct variables were generated to determine shopping patterns and preferences. In addition to these general purposes, each of the three surveys had unique characteristics which are detailed below.

#### Unique Characteristics of the Block Group Residential Survey

This survey was conducted through the use of face-to-face interviews of adult residents of Census Tract 2, Block Group 4. This covers the area from University Avenue on the south to Washington Street on the north, and from First Street on the west to Fourth Street on the east. Interviews were conducted randomly until thirty-six responses were collected out of the 115 households in the Block Group or 31.3% (greater than 30% random sample was determined to have 95% or greater accuracy representing the entire population). See Appendix IV.A for a copy of this survey.

#### Unique Characteristics of the Extended Block Group Survey

This survey was administered to residents of the areas directly north and east of Census Tract 2, Block Group 4 in an effort to broaden the sample base and to supplement the Block Group Residential Survey. Through face-to-face interviews, twenty-eight surveys were collected. See Appendix IV.A for a copy of this survey.

#### Unique Characteristics of the Customer Survey

This survey was administered to current North First Street customers on a voluntary basis. Business owners were asked to make the survey available to their customers. Banks Barber Shop, the Champaign County Housing Authority, the City of Champaign Police Department, Locks of Glory, Lone Star Lodge, Rose and Taylor Barber Shop, and



**FIGURE IV.1 DEMOGRAPHICS OF RESPONDENTS**

	Block Group	Extended	Customer	Total
<b>Sex</b>				
Percent female	58.8%	50.0%	70.7%	61.2%
<b>Age</b>				
Mean age (years)	48.9	46.7	42.8	45.7
Percent 18-24	6.7%	14.8%	9.8%	10.2%
Percent 65 and older	26.7%	29.6%	12.2%	21.4%
<b>Race</b>				
Percent African American	93.9%	96.3%	92.7%	94.1%
<b>Household Size</b>				
Mean (number of persons)	2.9	3.3	2.8	2.97
Percent 1 person	25.7%	18.5%	19.5%	21.4%
Percent large households (5,6,7+ persons)	20.0%	25.9%	12.2%	18.5%
<b>Income</b>				
Mean income	\$15,500	\$19,632	\$26,854	\$22,386
Percent very poor (3 person Households below the poverty level <\$10,000)	42.1%	42.1%	12.2%	26.6%
<b>Percentage of Homeowners</b>	58.8%	57.7%	N/A	58.3%
<b>Length of Residence</b>				
Owner mean (years)	17.2	11.4	N/A	14.7
Renters mean (years)	7.4	2.1	N/A	5.1

**FIGURE IV.2 DEMOGRAPHICS OF CURRENT USERS**

	Block Group	Extended	Customer	Total
<b>Sex</b>				
Percent female	61.0%	46.2%	70.7%	64.8%
<b>Age</b>				
Mean age (years)	46.8	42.7	42.8	43.6
Percent 18-24	13.5%	23.1%	9.8%	12.8%
Percent 65 and older	25.0%	15.4%	12.2%	15.7%
<b>Race</b>				
Percent African American	89.5%	100.0%	92.7%	95.9%
<b>Household Size</b>				
Mean (number of persons)	3	3.7	2.8	3
Percent 1 person	26.3%	8.3%	19.5%	19.4%
Percent large households (5,6,7+ persons)	21.0%	33.3%	12.2%	18.1%
<b>Income</b>				
Mean income	\$18,409	\$24,611	\$26,854	\$24,507
Percent very poor (3 person Households below the poverty level <\$10,000)	36.0%	44.4%	12.2%	18.8%
<b>Percentage of Homeowners</b>	47.4%	66.7%	N/A	54.8%
<b>Length of Residence</b>				
Owner mean (years)	19.8	9.4	N/A	11.4%
Renters mean (years)	8.3	2	N/A	6.7%

N/A: Question not included in survey instrument.



**FIGURE IV.3 CURRENT DEMAND AND DESIRED BUSINESSES**

	Block Group	Extended	Customer	Total
<b>Use North First Street Businesses</b>				
yes	52.8%	48.1%	100.0%	71.6%
<b>Percent total users from responding households</b>				
Banks Barber	5.7%	5.0%	15.8%	12.3%
Buddies	7.6%	10.0%	12.3%	11.0%
Housing Authority	0.0%	0.0%	3.4%	2.3%
Jacksons Restaurant	28.3%	30.0%	29.5%	29.2%
Locks of Glory	11.3%	10.0%	6.2%	7.8%
Lone Star Lodge	9.4%	5.0%	4.8%	5.9%
Police Department	0.0%	0.0%	2.7%	1.8%
Pool Hall	0.0%	0.0%	0.7%	0.5%
Rose and Taylor's Barber	30.2%	40.0%	17.1%	22.4%
Tweets	7.6%	0.0%	7.5%	6.9%
<b>Desired Businesses</b>				
Super Market	21.2%	41.2%	36.6%	31.9%
Convenience Store	24.2%	29.4%	26.8%	26.4%
Drug Store	24.2%	5.8%	17.0%	17.6%
Small-scale Grocery	36.4%	5.8%	14.6%	20.9%
Seated Restaurant	33.3%	11.6%	24.4%	25.3%
Soul Food Restaurant	24.2%	0.0%	44.0%	28.6%

**FIGURE IV.4 PERCEPTIONS AND OPINIONS OF RESPONDENTS**

	Block Group	Extended	Customer	Total
<b>Perceptions of North First Street</b>				
"No shops I want."	38.1%	31.6%	18.5%	25.9%
"Area is unattractive."	42.6%	26.3%	42.7%	48.2%
"Goods and services are affordable."	4.8%	10.5%	60.9%	34.6%
"High crime area."	19.1%	31.6%	29.3%	27.2%
"Buildings are not safe."	14.3%	5.3%	0.0%	4.9%
"It is difficult to park there."	4.8%	10.5%	19.5%	13.6%
"I like 1 or 2 businesses, but not their neighbors."	4.8%	5.3%	31.7%	18.5%
"Area is too far away."	0.0%	5.3%	0.0%	1.2%
<b>Opinions for the future of North First Street</b>				
Assistance should be provided to minority owners	70.6%	56.5%	68.3%	66.3%
Create a safe, pleasant area no matter who the owner	23.5%	30.4%	29.0%	27.6%
Leave the area alone	8.8%	8.7%	2.4%	6.1%
Create a residential area	2.9%	4.3%	4.8%	4.1%
Need office/ professional businesses	5.9%	4.3%	0.0%	3.1%
Other	8.8%	4.3%	0.0%	4.1%





Tweets were the seven businesses or services which participated. A total of forty-one surveys were collected. See Appendix IV.B for a copy of this survey.

#### A.2 Analysis of FIGURE IV.1,2,3 and 4

- o The percent of respondents living below the poverty level is dramatically high in comparison to Champaign County, 15.6%, and the City of Champaign, 22.7%.
- o The customer survey represents residents living throughout the Champaign-Urbana community and is reflected in their higher mean income.
- o The mean incomes for respondents of the Block Group and Extended Block Group are considerably lower than those incomes of actual users from these two surveys of North First Street businesses.
- o The national average for length of residence for renters is less than or equal to 3 years; owners less than or equal to 7.5 years. Compared to society-at-large, the respondents tend to have resided longer within their present home.
- o Higher percentages of homeownership in the Block Group and Extended Block Group tends to show a more positive commitment to the neighborhood. However, when owners are cross-tabulated with users, more renters use North First Street businesses, 45% and 77% respectively.
- o Approximately half of both the immediate Block Group and Extended Block Group currently use at least one of the existing North First Street businesses. However, 73% of the current patrons surveyed reside outside this immediate area, dispersed throughout the Champaign-Urbana community.
- o The predominant means of transport used by customers traveling to North First Street businesses is by private automobile. This includes those who live within walking distance.

#### A.3 Major Implications

People are frequenting North First Street. Something must be attracting them in spite of the overwhelming problems of the area's unattractiveness, perceived high crime rate and limited selection of goods and services, whether it be the affordability or uniqueness of the goods and services, convenient hours, or simply customer loyalty. These patrons will continue to use the businesses regardless of revitalization efforts. However, area improvements will have a direct influence on attracting potential users and changing current, negative perceptions of the area.



The adjacent residential area does not have the financial means to support North First Street businesses independently. However, its physical and financial weaknesses have a strong impact on the current and future viability and image of a North First Street commercial zone. This area's economic instability is detrimental to North First Street businesses.

Current patrons of North First Street businesses reside throughout the Champaign-Urbana community illustrating that the immediate residential area is not the only contributor to the customer base of North First Street. Distance does not affect current usage of existing businesses. With the introduction of a wider variety of businesses or services catering to a more diverse clientele, the potential demand for North First Street has the capability of encompassing the entire Champaign-Urbana community.

## **IV.B Local Area Business and Service Surveys**

### **B.1 General Purpose**

These surveys further explored the current and potential demand of North First Street. The surveys were administered to businesses located on University Avenue, including the Police Department, in the two block area from the railroad overpass on the west to Second Street on the east. The survey determined the number of area employees currently using businesses on North First Street. All area employees were asked what types of business they would like to see located within the general study area. The survey attempts to pinpoint the area's strengths and weaknesses as a site for commercial development by determining each proprietor's reason for locating in the area and their percentage of University of Illinois student clientele.

The University Avenue Business Survey was administered in face-to-face interviews with business owners or a full time employee. See Appendix IV.C for a copy of this survey. Surveys were distributed to employees of the City of Champaign Police Department and returned voluntarily by mail. See Appendix IV.D for a copy of this survey instrument.

### **B.2 General Characteristics**

- o There are 13 businesses on University Avenue
- o There are 13 proprietor responses and 31 Police Department responses
- o 53% of proprietors do not use North First Street businesses
- o 74% of Police Department employees do not use North First Street businesses



**FIGURE IV.5 PERCENTAGE OF RESPONDING USERS**

North First Street Businesses	Police Station Respondents (8)	University Avenue Respondents (6)
Jackson's Restaurant	16%	83%
Rose and Taylor's	6%	N/A
Buddies Bar	6%	33%
Tweet's Fashion Shop	6%	17%
Lone Star Lodge	3%	N/A
Locks of Glory	3%	N/A
Bank's Barber Shop	N/A	N/A

### B.3 Potential Demand

- o 36% wanted a new restaurant established in area
- o 14% wanted a convenient or drug store
- o 9% do not want new business
- o 7% wanted more parking facilities
- o 7% want to tear down all business
- o 5% want professional service
- o 2% replace with new minority business
- o 20% had no opinion

### Percentage of Student Clientele per business

- o 3 businesses @ less than 10%
- o 3 businesses @ 15% - 20%
- o 6 businesses @ 30% - 50%
- o 1 businesses @ 75%

### B.4 Major Implications

Although the employees on University Avenue and the Police Department work directly across or around the corner from North First Street, they do not use existing businesses. Suffering from physical neglect, the area has not made the most of its location and surrounding potential market demand. Local employees feel that the area is unattractive and uninviting, as well as the fact that they are not aware of the businesses located on the street. University Avenue businesses find North First Street to be a negative



externality with social and cultural differences between these two areas further separating current commercial activity.

Site locations within the area are affordable. North First Street has the potential to attract a wide range of small businesses. In addition, high traffic volumes and visibility provides a means of free advertising given that signage is available and clear to passersby. A more culturally and racially diverse student clientele is currently traveling to University Avenue and the borderline of North First Street. This student market is presently not being encouraged to cross the boundary of University Avenue.

The growing success of University Avenue businesses is apparent. North First Street businesses should look to its neighbors not only as potential customers, but also as complimentary goods and service providers to existing University Avenue clientele. North First Street should not attempt to compete, but rather join efforts with the existing businesses to establish and extend a viable commercial district.

#### **IV.C University of Illinois Student Survey**

##### **C.1 General Purpose**

The student survey of African-American students at the University of Illinois attempted to determine the current and potential demand for services on North First Street. The surveys found which businesses the students use, their reasons for not using the services, the services they would like to see, and the student's potential "buying power." The survey also further determined the strengths and weaknesses of North First Street as a function of the students. See Appendix IV.E for a copy of this survey

##### **C.2 General Characteristics**

- o 98 African-American students surveyed
- o 49% of students aware of businesses on North First Street
- o 37% of these have used services on North First Street

##### **C.3 Service Use**

- o 60.6% use / have used Rose and Taylor's Beauty Shop
- o 12.1% use / have used Jackson's Restaurant
- o 12.1% use / have used Tweet's Fashion Shop
- o 6.1% use / have used Locks of Glory Beauty Shop
- o 8.9% use / have used other services





#### C.4 Reasons for Not Using Services

- o 61.0% not aware of shops and services
- o 30.4% feel area is too far away
- o 8.6% shop elsewhere or are concerned with the crime factor

#### C.5 Potential Demand

These are the percentage of students responses for each service demanded:

- o 77.0% would like to see North First Street made into an African-American cultural center in addition to the following businesses
- o 31.5% - soul food restaurant
- o 23.3% - clothing store
- o 16.4% - barber / beauty shop
- o 11.0% - seated restaurant
- o 9.6% - bar / club
- o 4.1% - cultural store
- o 2.7% - bookstore
- o 1.4% - fitness center

#### C.6 Disposable Income

- o 24% of students spend \$10 - \$19 per week
- o \$1700 - average total student spending per week

#### C.7 Major Implications

Students have an interest in North First Street. In accordance with the previously mentioned University Avenue Survey, students are currently traveling within walking distance to North First Street. Yet, due to their unfamiliarity with existing businesses, University of Illinois students are a relatively "untapped" resource. Poor visibility of businesses along North First Street and lack of advertising inhibit the student's knowledge and usage of the area.

### **IV.D 1990 Census Analysis of Demand for North First Street**

#### D.1 General Purpose

The 1990 Census is used to compare socio-economic and demographic characteristics of the residential area including North First Street and compared with the city as a whole in order to determine the character of the area, investment risk and potential of the area. This information could also be used by businesses and services to match their products and services to the demands of the North First Street area.



Census information was gathered for four areas: Block Group 4, Census Tract 2, the City of Champaign and the County of Champaign. Block Group 4 is located on the west side of the City of Champaign and is bordered by University Avenue to the South, Washington Street to the North, First Street to the East and Fourth Street to the East. Census tract 2 includes Block Group 4 and occupies the northwest portion of the City of Champaign. See Appendix IV.F for further charts and figures detailing this information.

**FIGURE IV.6 HOUSEHOLD PROFILES**

Households	Block Group 4	Tract 2	City of Champaign	Champaign County
Percent Black	95.6%	95.9%	14.9%	10.2%
Percent Less than High School Education	53.8%	51.8%	11.8%	12.5%
Percent Married	45.6%	35.4%	77.8%	82.0%
Percent Female Headed	40.5%	43.7%	17.7%	13.9%
Percent Female Headed with Children under 18	54.3%	84.3%	67.5%	68.8%
Percent Senior Citizens (65+)	16.9%	13.3%	8.2%	8.7%
Percent Under 5	8.5%	15.6%	6.0%	6.8%
Percent Having No Vehicle	28.7%	66.7%	22.1%	15.9%
Percent Who Walk or Bike to Work	34.2%	27.1%	20.9%	13.3%

#### D.2 Analysis of FIGURE IV.6

The surrounding residential area of North First Street is predominantly African-American. The household makeup of this area when compared to the larger Champaign city and county populations shows that the area has a significantly lower percent of married heads of households. Also, the census data clearly shows a far higher percentage of female headed households. The area closest to North First Street seems to be more stable. There are more married households, fewer female headed households and fewer female headed households with children under the age of 18.



**FIGURE IV.7 INCOME, EMPLOYMENT AND SPENDING POWER**

Household	Block Group 4	Tract 2	City of Champaign	Champaign County
Median Income	\$15,750	\$10,346	\$22,976	\$26,541
Percent Unemployed	6.5%	20.3%	4.9%	4.2%
Percent with No Earnings	16.5%	43.2%	13.3%	12.6%
Percent with No Wages or Salary	23.1%	44.2%	15.1%	14.9%
Percent Receiving Public Assistance	11.6%	36.7%	4.6%	4.2%

**FIGURE IV.8 PERCENT BELOW POVERTY**

	Block Group 4	Tract 2	City of Champaign	Champaign County
All Persons	36.5%	49.3%	22.7%	15.6%
All Families	32.5%	52.1%	9.6%	8.0%
Families with Children under 5	64.3%	87.6%	21.0%	16.7%
Families with Children under 18	63.3%	68.9%	15.0%	12.1%
Age 18 and Over	25.3%	35.6%	24.2%	16.0%
Age 65 and Over	25.0%	15.0%	8.3%	8.3%

**D.3 Analysis of FIGURES IV.7 AND IV.8**

The immediate residential area of North first Street is financially very poor. Once again the Block group adjacent to North First Street is better off than the larger tract, but it also has significantly more poverty than that of the city and county as a whole. The statistical differences between the surrounding residential area and the rest of the Champaign community would grow even wider if the 36,000 University of Illinois student population, whom have low incomes, were removed.

The median income for Block Group 4 is only about 10% above the poverty level for a family of four, and the entire census tract has a median income 30% below the poverty threshold for a family of four.

Percent unemployment and percent with no earnings, wages, or salary is somewhat higher in the immediate Block Group than in the city as a whole. For the entire census tract the rate of



unemployment and persons without earnings, wages, or salary is above "depression" levels. This is an embarrassment to the city and a major deterrent to potential commercial investors for North First Street.

Approximately two and one half times more persons in Block Group 4 receive public aid than in the city. Persons on public aid is approximately eight times more likely in Tract 2 than city wide. The last six rows of percentages analyze the rate of poverty for different household compositions. They also show that significantly more persons in the target area are below the poverty threshold with little or no disposable income. The first two rows provide the reader with a good idea of the impact of students on the poverty in this city. Because students do not live in family groups, they appear in the row representing total persons, but not in the row representing total families. Family poverty is far lower for the city and county as a result. Family poverty is more than three times higher in Block Group 4 than the City of Champaign, and more than five times higher in Tract 2 than the City of Champaign. Poverty remains high in the target area for families with children under age 18 and 5, and for elderly persons. In summary, the surrounding area of North First Street is one of the poorest and most unstable in the city. This gives the people of the area very low spending power.

**FIGURE IV.9 HOUSING VALUES AND HOUSING NEEDS**

	Block Group 4	Tract 2	City of Champaign	Champaign County
Percent Owner Occupied Housing	48.6%	42.4%	47.2%	54.5%
Percent Vacant Units	11.4%	9.7%	11.4%	6.6%
Median Rent	\$444	\$264	\$422	\$411
Percent of Units Built before 1939	52.3%	24.7%	15.2%	15.4%
Percent Paying More than 35% of Income on Rent	83.9%	59.9%	69.0%	41.1%
Percent of Homes Valued under \$50,000	80.0%	69.4%	26.7%	26.6%
Substandard Housing (lacking some or all plumbing for exclusive use)	0.0%	0.0%	0.0013%	0.0035%
Percent Crowded at 1.01 or more Persons per Room	8.1%	7.2%	2.2%	2.4%





#### D.4 Analysis of FIGURE IV.9

One statistic that remains high in the area around North First Street is the percent of owner occupied housing. This is a potentially good sign because owner occupants are generally more willing to invest in and support the neighborhood. Vacancy rates and median rents are also comparable or lower in the target area than in the city and county as a whole.

Unfortunately the value and age of the housing in the Block Group and Tract indicate a much more modest and older housing stock. A high percentage of renters in Block Group 4 pay rents far above the recommended threshold set at 30% of income by the federal Department of Housing and Urban Development. The vast majority of owned homes are valued under \$50,000 in the target Block Group and Tract compared to only about 1/4 of the owned homes city and county wide.

Finally, there is more substandard and crowded housing in the target Block Group and Tract when compared to the city and county.

#### D.5 Major Implication

Once again, any developer, banker, or business investor looking at these statistics would place North First Street at a very low priority and high risk based on these statistics.



## V. FINANCIAL DEVELOPMENT OPTIONS

### V.A TEAM GOALS

Team goals are summarized below. The final plan should outline specific policies to attain each of these goals.

#### A.1 Goal Number One

Provide a comprehensive listing of applicable funding sources

- o Public funding sources
- o Private funding sources

#### A.2 Goal Number Two

Discuss strategies for ownership and long-term management

- o Current ownership with assistance for redevelopment
- o New private ownership and redevelopment
- o City ownership and redevelopment
- o Formalized Implementation Committee

#### A.3 Goal Number Three

Discuss the City's direct role in redevelopment

- o Code compliance regulations
- o Zoning variances or changes
- o Infrastructure repair
- o Provision of services
- o Redevelopment planning and coordination
- o Partial rehabilitation grants
- o Small Business Development Corporation/incubator
- o High risk loan pool

#### A.4 Goal Number Four

Discuss the private sector's role in redevelopment

- o Commitment to project
- o Procedural compliance
- o Shared redevelopment investment risk
- o Coordinated redevelopment



## A.5 Goal Number Five

Develop a funding mixture scenario that is most likely to succeed

- o Public/Private partnership
- o Small business training and loans

## V.B EXISTING CONDITIONS

The first step in developing a plan for the redevelopment of North First Street was to examine existing conditions and the factors leading to current conditions.

Since the arrival of the North-South rail lines in the 1860's, and the relocation of Downtown Champaign west of these tracks, North First Street has served primarily the needs of Champaign's African American population. Today, the North First Street commercial district and its individual business owners are victims of decades of neglect, urban decay and the elements that lead to blight. Some of the elements that have contributed to North First Street's existing condition include: increased crime; disinvestment; poor market demand for services and businesses offered; and the national trends leading to disinterest in urban central business districts.

Based on the analysis of existing conditions, the financial strategies team compiled the following list of strengths, weaknesses, opportunities, and constraints of North First Street:

### B.1 Strengths

Viable location for commercial uses

- o Heavy vehicular traffic
- o Near police station
- o Contiguous with two larger established commercial districts

History as a minority commercial district

- o Variety of services and goods
- o Serves as a historic niche for minority small business owners

Architectural and historical significance of some individual structures

- o Introduction of a historical district is possible, opening up new funding source opportunities

### B.2 Weaknesses

Negative perception of North First Street

- o Physically deteriorating infrastructure and buildings
- o High level of criminal activity
- o Past demolitions leaving vacant lots



Lack of design continuity and neighborhood qualities

- o Deteriorating structures with architectural treatments from various time periods
- o Lack of gateway to distinguish North First Street as separate from Downtown and East University Avenue
- o Lack of streetscape design elements

### B.3 Opportunities

Economic incentives of location

- o Potential availability of financial assistance and programs
- o Potential boundary change of Tax Increment Financing District
- o Enterprise Zone tax incentives
- o Higher level of potential customer traffic
- o Availability of in-fill land available at below market rates

Anticipated Development activity in surrounding areas

- o Boneyard Creek improvements (next 10-15 years)
- o Don Moyer Boys and Girls club expansion (next 2-3 years)
- o Relocation of a major plumbing supply store to East University Avenue (next 1-2 years)
- o Hotel development further east on University (next 1-3 years)
- o Completion of the second phase of the Martin Luther King Jr. residential subdivision (next 1-2 years)
- o New and expanded businesses along East University between First and Second

Organization of TIF 2 advocacy group

- o Provides a unified voice for owners in the TIF district
- o Security network
- o Status as not-for-profit organization when applying for economic assistance
- o Developing East University Business Owners Association

Land available on west side of University Avenue

- o Potential commercial development space

### B.4 Constraints

Redevelopment costs associated with North First Street properties

- o Lack of building code compliance
- o High rehabilitation costs just to bring existing structures up to code
- o Lack of private capital available for redevelopment





Existing conditions and historical origins of negative perceptions

- o Lack of parking if structures are redeveloped and in-fill development occurs
- o Poor physical conditions resulting in decreased development interest
- o Perception and actual documentation of crime on the street and in the surrounding area

Location characteristics

- o Lack of available land for larger scale development without use of eminent domain
- o Deficient traffic patterns that encourage through traffic and discourage motorists to stop
- o Competing development along more travelled University Avenue and in Downtown west of the tracks

## **V.C GOAL NUMBER ONE: FUNDING SOURCES AVAILABLE**

### **C.1 Background**

A four part plan was created for finding funding sources and development strategies, and placing both in a priority order. First, local bankers, developers and government officials were interviewed to determine what types of funding are locally available, what types of funding strategies local officials have experience with and are comfortable using, and what types of development options are politically realistic in this community. Second, existing models were sought of small, minority business, redevelopment projects as much like North First Street as possible. Third, computer directories were searched looking for grant and loan eligibility that matched the small scale minority commercial redevelopment of North First Street. Finally, based on all this knowledge, criteria were developed to cluster and rank these funding sources by the closest fit and funding potential to the project area.

### **C.2 Description of Programs Available**

Appendix V.A provides a summary of each of the applicable funding sources that the financial redevelopment team compiled. Each summary provides a brief description of the program including: origin of program; funding type; use constraints of funds; and general criteria for application for funds. The summaries also include a paragraph on the applicability of the funding source to North First Street, both in its current condition, and the historic use of funds in this area.

Funding sources are organized into three separate categories based on the likelihood of their acceptance and use, whether Champaign has past experience with the funding source, and whether the funding source has been used on a similar scale to that of North First Street in the past.

There are other sources that were considered during this process, the listing simply provides descriptions of those programs which indicated some applicability to North First Street based on the above criteria.



### C.3 Type One: Highest Potential Funding Sources

Funding sources generally used for redevelopment projects like North First Street include: Bank Loans, Community Development Block Grants (CDBG), Urban Development Action Grants (UDAG), Open Space Lands Acquisition and Development (OSLAD), Urban Renewal, Community Development Assistance Program (CDAP), and Tax Increment Financing (TIF). Some of these sources have been used in Champaign for prior developments and others have been utilized as effective financing tools in other similar projects in other cities.

### C.4 Type Two: Second Tier Funding Sources

These funding sources are noted mainly because they are available either by competitive application or project submittal and review. Type two sources may become important elements once a redevelopment plan is in place and matching funds are needed to cap off redevelopment projects. At that point these sources will warrant further investigation.

### C.5 Type Three: Lowest Potential Funding Sources (Grants)

Type three funding sources are funding sources that are available typically by national competitive application. They are very specialized funding grants that require specific criteria and numerous development conditions. Criteria may include social and/or physical conditions. Social conditions include programs aimed specifically for low-income neighborhoods and minority business/career development. Physical conditions include everything from tree planting to sanitation rehabilitation.

## **V.D GOAL NUMBER TWO - PART ONE: OWNERSHIP PATTERNS**

### D.1 Current Ownership Patterns

The City has recently purchased several parcels within the North First Street study area. Three of the properties were purchased in preparation for the changes that will be part of the Boneyard Creek Improvements Plan. Four of the parcels the City acquired are located within the commercial section of the study area between Church Street and Park Street. All Remaining properties within the study area are privately owned.

The financial development team has identified four likely ownership patterns for North First Street redevelopment. They are listed in the order of most likely ownership pattern based on existing conditions and historical development patterns in such areas.

### D.2 Current Owners as Developers

If current property owners choose to remain on North First Street, it is likely that many will need subsidies to redevelop each property. It may become necessary for the City to become the principle lender for many of these property owners.



### D.3 New Private Ownership and Redevelopment

Current owners may wish to leave the North First Street area before redevelopment occurs. A single investor is not likely to invest in the entire area, therefore, we have listed two of the possible types of private ownership and redevelopment.

### D.4 Community Development Corporation Ownership

A collective ownership by a community development corporation may be one practical method of solving some of the development problems on North First Street. CDC's provide a management alternative for land assembled by a not-for-profit organization. CDC's can be made up of local bankers, property owners, churches, cities, housing authorities, and any other parties interested in investing in a project such as this by purchasing land or through in-kind payment.

### D.5 Bank Community Development Corporation's

Bank and Bank Holding Company (BHC) Community Development Corporations (CDC's) are a useful device to involve private financial resources in the solution of community economic development problems and needs. A bank CDC or BHC CDC is a special subsidiary formed to address specific housing, community development, economic development or community revitalization objectives. The CDC's programs of investments must benefit low and moderate income areas or persons and or small businesses.

Investments in CDC's or community development projects are intended to stimulate, not compete with, private sector investment or development companies. Bank CDC's have been implemented successfully in developments similar to North First Street. CDC's are devoted to: housing development and rehabilitation; downtown and neighborhood commercial revitalization; industrial development and redevelopment; neighborhood marketing; and training, technical assistance, research, and planning for non-profit development groups. Each one of these objectives are consistent with the North First Street Development, therefore making this endeavor a viable candidate for this type of long-term management system.

### D.6 City Ownership and Development Alternative

Land assembly by the City in the North First Street study area would not be difficult but does not seem to be a likely alternative. Although the City purchased several properties before the study began, City officials have expressed that the City should not become the principal land owner or developer on North First Street.



## **V.E GOAL NUMBER TWO - PART TWO: LONG TERM IMPLEMENTATION AND MANAGEMENT**

### **E.1 Implementation Committee**

Organization of an effective long-term implementation group will be a key element in successfully redeveloping North First Street once a plan has been adopted. A strong public-private bond will be necessary to create a working partnership between City officials and private property owners on North First Street.

The implementation committee should be comprised of a member(s) of City staff working directly with North First Street property owners and interested parties to see the plans implementation from beginning to end. Members of the group will all have specific responsibilities during the implementation process.

## **V.F GOAL NUMBER THREE: DIRECT CITY ROLE IN REDEVELOPMENT**

Even if the City does not take a leadership role as developer of North First, no private or non-profit redevelopment will occur without basic City input to position the area for redevelopment. The following nine areas are listed in priority order of necessary City initiative with number one being the most vital and number nine the least. These nine city initiatives are further grouped into two levels: Level 1: The most immediate and necessary, Level 2: Very probable and potentially longer term commitments.

### **F.1 Level 1: Most Immediate and Necessary**

1. Code Enforcement. Most of the existing structures on North First Street are below standard City code. Most do not have adequate sanitary systems, stairway widths are too narrow, are not handicap accessible, and fire exits are inadequate. These and other structural factors need to be addressed before operation of any new businesses can begin or existing businesses are allowed to continue.

To make code compliance feasible for property owners and to defer some of the costs, a time line compliance must be generated. This time line should be flexible, allowing property owners adequate time to complete necessary renovations. The implementation team should work closely with city officials from the Building Safety Division to determine the most immediate needs and necessary changes.

2. Zoning Variances or Changes. Zoning modifications may be necessary depending upon desired secondary uses of upper floor space and land uses north of Church Street. Property owners may want to rent upper floors for residential uses to subsidize redevelopment efforts. If this is the case zoning variances will be necessary.





Zoning variances will have to be granted on a per property bases according to desired change and individual characteristics of the property. In order for a variance to be granted proposed changes must be submitted to the Zoning Board of Appeals.

3. Infrastructure Repair. The City will be responsible for infrastructure repair which includes, streets, sidewalks, tree planting, and parking. The physical team's report outlines specific repairs that must be completed to encourage future private redevelopment.

4. Provision of Services. The implementation group should work closely with city officials to develop a schedule of base line services. These services include snow removal, street sweeping, sanitary and storm sewer maintenance, and other services that the city should provide on an ongoing basis.

5. Redevelopment Planning and Coordination. Once a redevelopment plan is adopted for North First Street, it will become necessary for the City to play a significant role in organizing for the implementation of the plan. Coordination of resources available to make redevelopment as efficient as possible will be necessary to insure timely delivery of services and program implementation.

#### F.2 Level 2: Highly Probable City Involvement

6. Rehabilitation Grants. Partial rehabilitation grants may also be necessary to encourage rehabilitation of existing structures where necessary and assist current owners interested in preserving existing structures through rehabilitation.

7. High Risk Loan Pool. The City may need to take the lead in providing low interest, high risk City backed loans to property owners on North First Street. Once the City has shown a commitment to North First Street and the proposed redevelopment activities through partial financial subsidy, private lenders and investors are more likely to invest in North First Street.

8. Commercial Incubator (SBDC). Depending on the mix of actual businesses and the "role" of North First Street as redevelopment planning progresses, this could be moved much higher on the list of priorities to that of the initial catalyst. The role of the commercial incubator will ultimately depend on the type, scale, and quality of redevelopment planned for North First Street. If the location is used to help minority and/or novice entrepreneurs learn how to develop and run profitable businesses, the City will need to take a lead role in developing, siting, and funding this incubator.

9. Public Parking Realignment and Expansion. As the redevelopment of North First Street progresses, the City must address the issue of parking provision. If the parking on the west side of North First Street is utilized for commercial property, adequate off-site parking will need to be provided.



Much of the current parking is leased to employees of Downtown businesses and the police station. A priority parking schedule should be developed and implemented as part of a comprehensive parking management plan.

## **V.G GOAL NUMBER FOUR: PRIVATE OWNERS' ROLE**

### **G.1 Commitment to Redevelopment**

The private owners must begin to take a pro-active role in the redevelopment of North First Street. Private investment needs to be encouraged to assist in financing this endeavor. In addition, private owners will need to form a local business association. This association is important for a variety of reasons. First, this will enable them to apply for a variety of public and private funding. This association will also serve as a means to unify the various businesses in the area. The primary function of this association is to improve the infrastructure and character of this area in order to enhance the future economic prosperity of this commercial market.

### **G.2 Code Compliance**

Private property owners should strive to bring existing structures into code compliance as quickly as possible. This may require negotiating with the City for help in acquiring loans or direct grants. This may require negotiating with the city for help in acquiring loans, or direct grants to help in this endeavor. They need to set up a compliance plan and schedule with the city that fits their business needs and private financial constraints and resources.

### **G.3 Shared Redevelopment Risk (Public/Private)**

Private owners will be required to invest in rehabilitation or demolition and construction of new buildings before many of the public or private funding sources will become available to them. The business owners need to show an intent to invest and the capability to carry it through.

### **G.4 Coordinated Redevelopment**

Coordinated redevelopment is needed so some owners are not taking undo investment risks. All owners need to develop a cooperative redevelopment plan. Again City staff could help facilitate this. Because the group of existing businesses own North First Street is small, new investors are not likely to be forth coming until substantial improvements are made to the area, linking the group with the larger TIF district and the newly created East University Avenue Business Organization could help produce coordinated group goals among the current owners.



## V.H GOAL NUMBER FIVE: FUNDING SCENARIO

### H.1 Public/Private Partnership

What follows is a recommendation based on the highest priority tasks to facilitate redevelopment on North First Street. The most likely funds to address these tasks, and the most likely party to begin the process.

There needs to be mutual and coordinated investment by both the private and public sectors for redevelopment to be successful. The majority of the initial funding will come through public sources with additional and growing investment needed from private sources.

We can not stress more strongly that an immediate partnership be formed, first between the North First Street owners and businesses and then between that group and the city. The owners and businesses that are going to stay and become serious partners in the redevelopment must organize and declare their commitment. The City must be prepared to put forth specific initiatives and resources to get this process started, but they must know who they are working with. Mutual trust and commitment must be formed quickly.

### H.2 Public Investment

There are four main public sources that are key to the redevelopment of North First Street. The four main sources are, Urban Renewal, Tax Increment Financing, Urban Development Action Grant, and the Community Development Block Grant. These are not in priority order. All four are equally important to different components of the redevelopment process.

1. The city has Urban Renewal funds available for development. These funds would be used for infrastructure repair and streetscaping.
2. Part of the area is already located in a Tax Increment Financing (TIF) district. The funds that are available through the TIF district may provide low interest loans for the businesses on North First Street. There is an outdated TIF plan for this district, and the city is considering a new TIF plan in 1994-95. This needs to incorporate the North First Street redevelopment as a key element in turning around the larger commercial area.
3. Urban Development Action Grant (UDAG): there are funds available for economic development through this source. This money may either be distributed through grants or deep subsidy loans.
4. Community Development Block Grant (CDBG): funds available through this source are most prevalently used for either demolition costs, or for creating a local interest group. Some of this money may also be utilized for subsidy and relocation costs.



### H.3 Private Investment

Private investment funds include sources from a variety of organizations which offer funding sources based on individual needs. These programs generally have specific requirements which are reviewed and granted based on applications. In order to be eligible for many of these funds it is necessary to have a proposed plan in progress.

### H.4 Small Business Training and Loans

The City and various local lending institutions, the County, and Parkland College have been working to create a small business development corporation (SBDC). The primary purpose of the corporation would be to provide educational opportunities to business owners and operators. The SBDC may also serve to distribute available funds through an appointed board of directors.

Location of the SBDC offices on North First Street may be the best alternative. The organization could serve as an incubator for North First Street and minority small business operators by offering low rent commercial floor space to new small business operators.













